Daily Report

Latin America

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FBIS-LAT-94-019 *28 January 1994*

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Mexican, Canadian Envoys on OAS Special Session

FL2701172794 Bridgetown CANA in English 1700 GMT 27 Jan 94

[Text] Washington DC, 27 Jan, CANA—The Organization of American States plans a special general assembly devoted to inter-American co-operation for development February 17-19 in Mexico.

Assistant Secretary General of the OAS, Christopher R. Thomas, said a major objective of the assembly "is to look at ways of boosting and promoting development in the context of consolidating democracy in the hemisphere".

Development, he added, "is at the core of the stability of democracy and progress of most of the countries of the hemisphere and so we must pay special attention to issues such as critical poverty which threatens stability and democracy".

According to Thomas, the special general assembly will also examine the mechanisms through which OAS technical assistance is provided so as to make such assistance more effective.

He said the assembly will consider a recommendation that two instruments within the OAS responsible for the provision of technical assistance - the Inter-American Council for Economic and Social Affairs and the Council for Education, Science and Cultural Affairs - be merged into a single council for integral development.

The establishment of a single council, he said, will provide for better coordination and serve to make OAS technical assistance more effective and efficient.

"I know there is some concern in the Caribbean that this new development because of the emphasis it places on the multilateral approach to providing technical assistance could result in a reduction of such asssistance to our Caribbean member-nations, but there is no tangible indication of this," he said.

Mexico's permanent representative to the OAS, Ambassador Alejandro Carrillo Castro, said the assembly was being convened "so that we can focus on the issue of critical poverty and take advantage of this new mechanism to ensure the best use for all of us of the resources at our disposal."

Canada's permanent representative to the OAS, Brian Dickson, chairs one of two sub-committees preparing for the special general assembly.

He said in an interview that the establishment of a single council for integral development within the OAS "will help to alleviate problems such as duplicaton and overbureaucratization" which impede the effectiveness of technical asssitance.

"The OAS has made, we think, some very important efforts to reform and to adapt itself to the beginning of a new century and to respond to the new challenges which are before us.

"We believe that the efforts it is making in the area of technical assistance are very important in analyzing what the OAS is doing now, how it could do things better and how it could be more responsive to the needs of the hemisphere," Dixon said.

Cuba

Ross, Lage Attend Antillana de Acero Workers' Assembly

FL2701135594 Havana Radio Rebelde Network in Spanish 1000 GMT 27 Jan 94

[Text] Carlos Lage, member of the Politburo and secretary of the Council of Ministers, has affirmed that an increase in efficiency, conservation, and discipline also constitute resources. During an address at the workers' assembly at the Antillana de Acero factory in Havana, Lage stated that more can be accomplished with the resources available to Cuba.

Likewise, Pedro Ross Leal, member of the Politburo and secretary general of the Cuban Workers Federation, stated at the meeting that the program of measures to solve the current economic situation has to be understood by each and every worker. The workers agreed to implement several measures to attain higher levels of efficiency and productivity in the factory, and also proposed measures to confront the difficult economic situation in the nation.

Ross Stresses Importance of CTC Anniversary

FL2701135694 Havana Radio Rebelde Network in Spanish 1000 GMT 27 Jan 94

[Text] Pedro Ross Leal, member of the Politburo and secretary general of the Cuban Workers Federation [CTC], has stressed that the 55th anniversary of the CTC is a patriotic celebration which ought to contribute to consummate the workers' commitment to defend the Revolution and the accomplishments of socialism. Ross added that the unity of the labor movement anticipated by the founders of the CTC during the period of the pseudo-republic, inspires today's workers to confront the criminal U.S. blockade. Likewise, Ross pointed out that in this new anniversary of the CTC, Cuban workers are seeking new ways to attain higher economic efficiency and alternatives to streamline the national finances.

Pedro Ross also announced that the 55th CTC Anniversary pin will be given, for the first time, to 66 founder members and union leaders on 28 January in recognition of their work in the labor movement.

Praises Workers Parliaments

FL2801030994 Havana Cuba Vision Network in Spanish 0100 GMT 28 Jan 94

[Text] Tomorrow, engrossed in the assembly process known as the workers parliament, the Cuban Workers Federation [CTC] celebrates its 55th anniversary. Reporter Jose Luis Rumbao discussed this topic with CTC Secretary General Pedro Ross.

[Begin recording] [Ross] At the moment, the efforts being made by Cuban workers are the highest expression of patriotism. We are in the trenches, where we should be, and without expecting immediate material benefits. To those workers, especially the women, who get up early in the morning to take their children to the infant circle by bicycle, then go to work, to return home later and employ magic in preparing the family's food—to those workers we express our deepest recognition.

[Rumbao] The 55th anniversary of the CTC will be marked by the labor union assemblies known as the workers parliaments: an example of what the workers democracy can do when united to save the achievements of the Revolution.

[Ross] This is a great process. In fact, I can say that I am very satisfied with the assemblies I have attended. So far I have participated in ten assemblies since the process began. I believe they have all been the quintessence of what we expected.

[Rumbao] Ross pointed out that more than 3 million workers and 1 million retired workers have been invited for February and half of March to participate, with their ideas and actions, in the solution our parliament will establish during its next session.

Salutes Workers

FL2801031794 Havana Radio Rebelde Network in Spanish 0000 GMT 28 Jan 94

[Text] Tomorrow is the 55th anniversary of the founding of the Cuban Workers Federation [CTC], which falls on the 141st anniversary of the birth of Jose Marti. What an honor for the Cuban working class such a marvelous coincidence is, precisely when Marti's call to unity is being heard today more than ever in the hearts of Cubans. For that reason, this newscast broadcasts exclusively to Cuba's workers the greeting from CTC Secretary General Pedro Ross.

[Begin recording] To these workers, [repeats] to these workers who with such great interest, such a tremendous sense of responsibility, have taken up this process of the parliament in the workplace, we send our warmest greetings. This is what we are paying homage to on this 55th anniversary of the founding of the CTC. [end recording]

Hog Cholera Found in Pinar del Rio, Havana, Matanzas

FL2701210694 Havana Radio Rebelde Network in Spanish 1800 GMT 27 Jan 94

[Text] New cases of hog cholera has been detected in the provinces of Pinar del Rio, La Havana, Havana City, and part of Matanzas.

As the first signs were detected a few months ago, the Veterinarian Institute warned about the dangers of transferring pigs or pork within those affected areas. This institute has also banned the unauthorized transfer of pigs from those provinces to the rest of the country. The control must be strengthened to quickly detect possible

new cases and to facilitate the vaccination of pigs in each zone, municipality, or province, according to the planned program of priorities.

Several Self-Employment Occupations Suspended

FL2701225394 Havana Radio Reloj Network in Spanish 2034 GMT 27 Jan 94

[Text] New registrations in activities such as producing light foodstuffs, collecting raw materials and agricultural products, and serving as video operators are among the five or six kinds of self-employment occupations that have been suspended. Nationwide, there is a total of 135 occupations in which workers are permitted to engage as self-employed persons. Over 137,000 such licensed workers have been approved.

This information came from (Alfredo Diaz Urbay), director of the Labor Research Institute [Instituto de Investigation del Trabajo] of the State Committee for Labor, who commented that the rate of increase in requests has already begun to decline. (Diaz Urbay) pointed out that approximatelyy 11,000 people have requested self-employment permits.

Roundup of Economic Activity Reported 24 to 26 Jan

FL2701022494

[Editorial Report] The following is a compilation of fileworthy reports on economic developments in Cuba carried on Havana radio and television in Spanish between 24 and 26 January. Source is listed in parentheses following each item:

Radio Reloj at 2040 GMT on 24 January reports that accelerated repairs are being made at the Republica Dominican Mill in Carlos Manuel de Cespedes municipality, Camaguey Province. Originally, the Rebublica Dominicana Mill was not scheduled to participate in the grinding in Camaguey this harvest. It was later decided that the mill would participate "because of the importance to the nation to produce as much sugar as possible."

Radio Reloj at 2042 GMT on 24 January notes that production in Matanzas Province has decreased. According to a statistical study, the province produced 777 million pesos' worth of goods in 1993, which was 71 percent of the amount that had been projected. "In comparison with a similar earlier period, Matanza's economy showed a decline of almost 21 points, felt most strongly in the sugar industry."

Radio Rebelde at 1255 GMT on 25 January reports that 400 caballerias of tobacco have been planted in Pinar del Rio. Some 4,000 students are participating in the planting.

Radio Reloj Network at 2030 GMT on 25 January reports in its 30-minute newscast that:

The plant at the Ignacio Agramonte Sugar Mill that produces the product called "sorbitol," a sugarcane by-product, produced over 300 tons of the product in 1993. "Sorbitol" is used in making toothpaste, diet foods, pharmaceuticals, and other things. The plant has the capacity to produce 10,000 tons a year in the Villa Clara and Camaguey plants. Also obtained were 217 tons of glucose.

The local industries of Contramaestre municipality, Santiago de Cuba Province, brought in 5 million pesos for the state in 1993. "Esteban Lazo, secretary general of the Communist Party of Cuba for the province, urged local industries to improve quality and design, and to increase prodcution of certain very important products, such as shoes for school children, workers, and the population in general."

"Over 13 million passengers were transported within Matanzas in 1993 thanks to the efforts of the state inspectors, who also created a favorable atmosphere for moving some 1,000 metric tons of various types of merchandise. During that period, the more than 230 men and women commonly known as 'yellows' [because of the color of their uniforms] collected slightly more than 1 million pesos and made use of over 1 million vehicles belonging to enterprises and organizations." They were assisted by around 70 volunteers.

There have been 42 Basic Cooperative Production Units [UBPC's] formed in Havana Province to-date: 29 in miscellaneous crops; 10 in tobacco, and 3 in citrus. Four remain to be formed: one in Artemisa, two in Alquizar, and one in Batabano. At present, the Havana Province UBPC's consist of almost 6,600 workers, not a final figure.

There are at present five bicycle factories in Cuba. The overall goal is to manufacture 300,000 bicycles in 1994. In 1993, 174,700 bicyles were produced by all these plants together, a figure significantly higher than the 1993 figure of 86,000. Each plant works on its own design, which leads to competition in making the bicycles and motivates the workers to do better work. All facilities are trying to improve post-sale services.

The Tropical Travel Agency in Havana sold over 10.5 percent more optional activities in 1993 than in 1992. In 1993, this brought half a million dollars more than in 1992 to the national economy—said Juan Emilio Santana, director of the Tropical Travel Agency. Santana said that the optional activities and proposals targeting international tourism at the diverse tourist hubs also increased in 1993, with a view to increasing the amount of hard currency brought in. The task of the Tropical Travel Agency is to provide international tourists with all types of services and information, thus occupying the free time of travelers while in Cuba.

Cuba Vision Network at 2310 GMT on 25 January reports that in Granma Province, workers of the Manzanillo shoe enterprise produced more than 250,000 pairs of shoes in 1993. They are increasing efforts to meet the demand of sugar industry workers.

Radio Reloj Network at 1506 GMT on 26 January reports that the Havana Convention Center obtained more than $3 million in 1993 as compared to the previous year. Adding national and convertible currency, its income amounts to some 6 million of an unspecified currency from the various activities in this center over the past year. More than 12,000 foreign delegates participated in congresses, fairs, meetings, and other forums in that center last year.

Radio Reloj Network at 1509 GMT on 26 January adds that the Cuban Ministry of the Steelworking Industry, the Sime, is working hard to become self-suffient. Sime's main objectives for this year are to become an exporting organization capable of guaranteeing its self- sufficiency, providing financial resources, and meeting the special demands of the national economy.

Radio Reloj at 2030 GMT on 26 January reports that an Asturian solidarity group donated office equipment worth $11,500 to the accounting department of the University of Havana.

Esteban Morales on Future Relations With U.S.

FL2601202794 Havana Radio Rebelde Network in Spanish 1800 GMT 26 Jan 94

[Interview with Esteban Morales, Director of the Center for U.S. Studies, by Zenaida Costales: place not given—live]

[Text] [Morales] The characteristics of the current international relations situation—with the world going through a transition process, et cetera—pose certain challenges for the United States: that they pay more attention to refurbishing U.S. foreign policy, to problems affecting the role of the Armed Forces, the function of the U.S. security policy, the importance of economic factors in future U.S. security policy, the strategic role the United States will play in important global problems, which will be related to U.S. foreign political leadership in future years.

[Costales] How do you think the Cuban issue will be treated?

[Morales] Well, we must say that the fundamental characteristics of U.S. foreign policy concerning Cuba essentially reflect the continuation of Bush Administration policy. However, I do not believe that the current Administration's political language is as aggressive as that of the Bush Administration.

Only superficial changes have been made. These changes relate to talks that are not negotiations as such, but discussion of issues. Basically, I think the Bush policy is being maintained because this policy on Cuba has much to do with the U.S. attitude of waiting for the development of internal processes in Cuba and how the Cuban economic reinstatement will be established within the new international relations process.

Hungarian, Mongolian Ambassadors Present Credentials

FL2701025894 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 27 Jan 94

[Text] Today, in a solemn ceremony, Commander of the Revolution Juan Almeida Bosque, vice president of the Council of State, received the credentials of the ambassadors of Hungary and Mongolia.

Mr. (Jozsef Nemeth) presented the documents that accredit him as ambassador extraordinary and plenipotentiary of the Republic of Hungary to Cuba. Cuban Foreign Minister Roberto Robaina participated in the ceremony. Afterwards, Mr. (Darigiyn Punzag) also presented his credentials which accredit him as the new ambassador extraordinary and plenipotentiary of Mongolia to Cuba. The two diplomats earlier placed floral wreaths at the Jose Marti Monument.

Colombian Youth Organizations Promote Solidarity Campaign

FL2701170294 Havana Radio Reloj Network in Spanish 1500 GMT 27 Jan 94

[Text] The International Campaign With Cuba For All Times launched by the Union of Young Communists [UJC] has been promoted among youth organizations and other institutions in Colombia.

Ibis Albizu Gonzalez, member of the UJC International Relations Department, has established new contacts in this regard with the Communist Youth, the ruling Liberal Party Youth, a youth organization, trade unions, and leaders of the Solidarity With Peoples House.

UN Consultant Issues Communique Condemning Blockade

FL2701222194 Havana Radio Rebelde Network in Spanish 1800 GMT 27 Jan 94

[Report by (Roberto Cavala) from the Havana Convention Center—live]

[Text] This is a last-minute report. I am speaking to the Cuban listeners of this station's live radio news program from the Convention Center where the Board of the Central American Commission for the Defense of Human Rights [Codehuca], a nongovernmental organization [ngo] with consultant status at the United Nations, is addressing the issue of human rights in Cuba. The chairperson of this commission read a document to reporters accredited to this Fourth Latin America n and Caribbean Meeting for Solidarity, Sovereignty, Self-Determination, and the Lives of our Peoples.

[Begin unidentified speaker recording] 1. The commission strongly and categorically condemns and repudiates the U.S. blockade against Cuba as unjust, cruel, and inhumane, and because it represents an inexcusable

violation of international law—the international human rights law and the established precepts and rules for coexistence among nations.

2. It urges the U.S. Government to immediately comply with the resolutions of the UN General Assembly to end the economic, commercial, and financial blockade against Cuba.

3. It urges the United Nations to demand that the U.S. Government comply with its resolutions through established mechanisms, as it has done with resolutions affecting other nations.

4. It lauds the Cuban Government and people for their important achievements, successes, and transformations in spite of the suffering caused by the nefarious, protracted blockade.

5. It supports the worthy, exalted, patriotic struggle by the Cuban people and Government against the U.S. blockade, and its respect for international law.

6. It respectfully but strongly urges the nations and the people participating in this meeting to adopt vigorous measures and initiatives intended to strengthen solidarity their sister nation, Cuba, in its struggles and its dreams to build a more just, more humane, and more democratic society. The people of Jose Marti need and demand it. Their unfaltering struggle, their poignant sacrifice of so many years, and their unrenounceable hope deserve it.

Respect for human rights means peace.

[Signed] The Central American Commission for the Defense of Human Rights, Codehuca. Havana, 27 January 1994. [end recording]

UN Ambassador Elected to Palestinian Rights Committee

FL2801025094 Havana Radio Rebelde Network in Spanish 0000 GMT 28 Jan 94

[Text] A PRENSA LATINA news report says Ambassador Fernando Remirez Estenoz, Cuba's permanent representative to the United Nations, was today elected vice chairman of the special committee for the restoration of the legitimate rights of the Palestinian people. The Cuban diplomat, chosen by acclamation, was proposed by the Tunisian delegation and supported by Mali.

Upon addressing this UN committee, Remirez Estenoz highlighted the efforts to be made at a moment when the committee is entering a qualitatively different phase of its work following endorsement of the declaration of principles between Israel and Palestine. Remirez highlighted the duties to be assumed in order to contribute to monitoring the agreed-upon measures and to determine what assistance the United Nations must provide so the process can continue until restitution of the legitimate rights of the Palestinian people—including that of the creation of their own state—has been achieved.

Alarcon Meets With Belgian, European Officials

FL2801025794 Havana Radio Rebelde Network in Spanish 0000 GMT 28 Jan 94

[Text] As part of his visit to Belgium, Ricardo Alarcon de Quesada, president of the National Assembly of the People's Government, today held work meetings with Belgian and European Parliament leaders.

Alarcon arrived in Brussels on 23 January at the head of a delegation from our parliament. On Thursday, Alarcon also met with the president of the House of Representatives, Charles-Ferdinand [Nothomb], and high-ranking Belgian Foreign Affairs Ministry officials. It has been learned that at these meetings, the current situation and prospects for the Cuban economy were analyzed, as well as Cuba's relations with the European Union, how things might evolve, and fundamental projections of Cuban foreign policy.

Alarcon's visit to Brussels ends on 30 January following a campaign of solidarity with Cuba.

Correction to Comment on Watson Statements

FL2701125394

The following correction pertains to the item headlined "Station Comments on Alexander Watson's Statements," which was published in the 27 January Latin America DAILY REPORT, page 5: Column one, paragraph two, last sentence to paragraph three first sentence make read: ...worked hard to ensure unity and integration of the peoples of the continent, based on absolute respect for the rights of sovereignty and self-determination. [new graf]

We wish to... (supplying dropped words)

Bahamas

Prime Minister Cited on Banking Changes

FL2601182894 Bridgetown CANA in English 1809 GMT 26 Jan 94

[Excerpts] Nassau, Bahamas, 26 Jan, Cana—Twenty per cent of shareholding in the state-owned Bank of Bahamas will be offered to the public later this year, Prime Minister Hubert Ingraham has announced.

He said the government's ownership of a commercial bank is against the policy of the ruling Free National Movement administration.

Ingraham, in a recent address to the Bankers Association of the Bahamas, also warned of the United States' efforts to try to "close down" and put pressure on international banking businesses in small countries.

He said the Bahamas must continue to maintain a good banking reputation so "we can look at them (United States) and say we are operating a clean banking system".

The Bahamas must also continue to be able to say that it does not facilitate drug trafficking and criminal money, and that the banks in the Bahamas have a code of conduct that is enforced, said Ingraham.

He said government will undertake a close examination of the banking sector to determine ways of improving its competitiveness. [passage omitted]

The Bank of the Bahamas, a 100 per cent government-owned entity, is being operated without government involvement in its management and is competing effectively in the private sector, he said.

Ingraham said government's continuing ownership of a commercial bank is consistent with its policy - leave business to business persons.

"Later in the year, we will begin the government's divestment programme by offering to the Bahamian public 20 per cent of the shares of the Bank of the Bahamas.

"The state's disengagement, however, will take due account of relevant factors including employment," said Ingraham.

The importance of the banking sector to the Bahamian economy is underscored by its estimated contribution to gross national product and employment opportunities.

In 1992, the banking industry employed almost 3 400 persons and had direct expenditure of almost 200 million dollars.

Ingraham said government was keen, not simply to maintain the Bahamas' position as the leader in the offshore banking community, but on regaining any of the ground lost to competitors.

As technology changes and as other financial centres improve their products and financial markets, the Bahamas will continue to improve efficiency and cost effectiveness in banking in the Bahamas, he said.

"We are making additional investment to ensure that we have the most sophisticated, state of the art telecommunications systems and that our regulatory framework remains appropriate to the business we are doing," said Ingraham.

As a result, the Bahamas is reviewing its telecommunication charges in comparision with other international financial centres so that it might ensure that it is technologically cost competitive and attractive to international business.

"The role played by human resource development in promoting the efficiency of our offshore centre, and in ensuring a more balanced distribution of economic and social progress cannot be over emphasised," Ingraham said.

"The government will place even greater emphasis on upgrading the skills of our work force through well defined training and retraining programmes which will take account of the dynamics of the marketplace," he said.

Haiti

Demonstrations Favor Resolutions, Lifting Embargo

FL2801000694 Port-au-Prince Radio Metropole in French 1145 GMT 27 Jan 94

[Text] A street demonstration is planned to support the resolutions of the popular congress. A rally is planned for today in Port-au-Prince to prompt the Haitian legislators to adopt the resolutions of the congress held in the National Theater from 18 to 20 January. The congress had asked for the formation of a consensus government to solve the crisis. Let us listen to a spokesman for the popular congress:

[Begin unidentified spokesman recording, in Creole] We are asking all citizens who are aware, as we are, of the seriousness of the situation to express solidarity with the Government of Public Security as an attempt to solve the crisis that we have been facing for too long. It is to undermine the bases of [word indistinct]. [end recording]

That was the assistant secretary general of the popular congress held on 18, 19 and 20 January by the Group of the Great North.

Another demonstration is due to be held this morning in Port-au-Prince in front of the parliament building to demand the lifting of the international sanctions and the embargo.

Demonstrate for New Government

FL2801020394 Port-au-Prince Radio Metropole in French 1700 GMT 27 Jan 94

[Text] A demonstration of support for the resolution of the popular congress held at the National Theater from 18 to 20 January in Port-au-Prince, is being held today in front of the parliament. The delegates had decided, among other things, on the formation of a three-member government and demanded from parliament the ratification of the voted resolutions.

Today they are holding a demonstration in front of the Legislative Palace from which Rothschild Francois reports live:

[Francois] Indeed, the demonstrators are gathered before the Legislative Palace. They are severely criticizing the legislators—deputies, and senators. They are demanding the dissolution of the Chamber of Deputies and of the Senate of the Republic. The demonstrators are also chanting words hostile to the embargo, to Aristide, and to the international community.

It should be noted that these demonstrators are not from Port-au-Prince, but from the Plateau Central and from the North. They came in response to a call by the Committee of Public Security, which is determined to install a new government in Haiti. So they came to Port-au-Prince this morning to demonstrate. Let us listen to Mobile 18, who met Leveille, in charge of the committee.

[Mobile 18] I am with Mr. Herve Leveille who is a member of the Group of the Great North and of the national congress. Mr. Leveille, did the mobilization begin today?

[Leveille] The mobilization has begun. Only the Plateau Central is represented in this demonstration. The other delegations will arrive later. There is a problem on the northern road, so we might not have the delegation from the North. Thus Plateau Central, the West, the Southeast, and the South delegations are due to arrive during the week. I am taking this opportunity to invite all the people in Port-au-Prince and the people from Cap-Haitian living in Port-au-Prince to come demonstrate with us their total rejection of the embargo and to demand the immediate formation of the Government of Public Security.

[Mobile 18] Mr. Leveille, we notice that you have gone to great effort. We especially notice that you have used a state bus to carry the people. Is this not prohibited by law?

[Leveille] If it is only this state bus that is available in a faraway zone, where these demonstrators live, how could they not use it? It is normal. Here, you have more options. But with the embargo, there is almost no car running in the provinces. And you should, instead of dwelling on these minute details, note the effort behind bringing 500 people to the capital now. You should understand what that means, with fuel at $20 a gallon now. Even if a truck driver is willing to help us, his car gets worn out. It is normal to use what is at hand.

'Public Salvation Government' Demanded

PA2701211694 Paris AFP in Spanish 1858 GMT 27 Jan 94

[Text] Port-au-Prince, 27 Jan (AFP)—Today, hundreds of people peacefully demonstrated against the embargo and in favor of creating a "public salvation government" in front of the Haitian parliament in Port-au-Prince.

The demonstrators shouted hostile slogans against the parliamentarians and the international community, particularly demanding the end of the embargo.

Tribunal, Closure of Congress Demanded

PA2801012194 Madrid EFE in Spanish 2346 GMT 27 Jan 94

[Text] Port-au-Prince, 27 Jan (EFE)—Approximately 1,000 people participated in a demonstration today in front of the Haitian parliament demanding its dissolution and that a tribunal assume power.

The demonstrators expressed their support for the resolutions issued by the so-called "Congress of the Northern Citizens' Group" [Congres del Colectivo de Ciudadanos del Norte] recommending a military tribunal assume power.

In its 26 January session, the Chamber of Deputies did not discuss the resolution proposed by the northern citizens group. They thought it was "irrelevant" and instead announced the Chamber is working on a proposal asking President Jean-Bertrand Aristide, currently in exile in Washington, to appoint a prime minister. Aristide was overthrown on 30 September 1991 by a group of military officers headed by General Raoul Cedras.

Following a traditional practice begun in the days of Francois Duvalier's dictatorship, the demonstrators were transported in vehicles from distant parts of the country to the capital. This time, the groups traveled in state-owned buses.

Commenting on the demonstration, Chamber of Deputies President Frantz Robert Monde said the fact that Haitians cannot reach an agreement to end the crisis "is sad." Monde added, "we will never yield under pressure."

Meanwhile, deputies have asked the leaders of the demonstration to assume their responsibility to prevent threats against the parliament. The demonstrators demanded parliament be closed because, according to them, "it is not complying with its mission."

FRAPH Condemns Businessmen's Decision To Strike

FL2801014594 Port-au-Prince Signal FM Radio in French 1130 GMT 27 Jan 94

[Text] The Revolutionary Front for Haitian Advancement and Progress [FRAPH] demands an explanation from the employers' associations that have decided to stop all activities during the period from 28 January to 9 February. FRAPH Organization Secretary Emmanuel Constant considers this decision a complement to the international embargo imposed on Haiti. Constant denounces this decision which he labels political thoughtlessness that will have bad consequences on the lives of the middle classes and the urban and rural masses. According to the FRAPH organization secretary, the businessmen, wealthy shopkeepers, have decided to close the country of Dessalines [Haitian liberator]:

[Begin recording] Today, the situation is grave because enemies of the nation, businessmen, wealthy shopkeepers have decided to block the evolution of the national majority. In fact, they adopted a unilateral measure. They have decided to shut down the country of Dessalines. What about the poor negroes whose fathers are still in Africa? They will get nothing.

FRAPH is asking questions about this stand by the Haitian employers, and demands explanations as to the ambiguity of such behavior and the gravity of its consequences. FRAPH considers this measure a supplement to the international embargo enforced by President Jean-Bertrand Aristide, whereas the businessmen, the mainspring of the Haitian economy, should direct their efforts—in a joint nationalistic spirit of patriotic concern, with the courageous Haitian people, the vital forces of the country—to the application of a war economy in order to alleviate the sufferings of the nation.

No, gentlemen shopkeepers: Together with the Haitian people, the middle classes, the soldiers, the peasant class, we in FRAPH say no. No, gentlemen shopkeepers: The Haitian people have been misled too often, have been humiliated too often. We must... [changes thought] it is not our responsibility to inflict this on them. FRAPH therefore launches a call for calm among all sectors of the nation, but especially invites the low-wage earners, the small merchants, the worthy elements of the middle class, the lucid elements, the class... [changes thought] the employees of the public administration, and the Haitian people to keep cool. [end recording]

Employers Associations Form Crisis Committee

FL2801005094 Port-au-Prince Signal FM Radio in French 1130 GMT 27 Jan 94

[Text] The 15 Haitian employers' associations, which announced their decision to close all businesses from 28 January through 9 February in an effort to prompt the protagonists of the crisis to assume their responsibilities, have formed a crisis committee in charge of following up the resolution relating to it. This committee includes the following personalities: Raymond Roy, Bernard Craan, Maurice Lafortune, Reynold Bonnefil, (Dominique Carvonis), Fritz Brandt, and Michael Madsen.

Before the resolution was proposed and the crisis committee formed, the participants in the 25 January meeting at the Villa Creole Hotel spent a great deal of time discussing the content and form of another proposal in which the following message would be sent to the international community: Come with your president [Aristide], install him, and lay down your rules.

Following this decision, the Haitian Chamber of Commerce and Industry invited the presidents of employers' associations, the members of the executive councils of those associations, businessmen and industrialists in general to a meeting to execute the decisions contained in the 25 January resolution.

We still do not know whether or not the supermarkets are concerned by this temporary closing. Several supermarket officials contacted by Signal FM stated that no decisions have yet been made.

Banks Association Announces Partial Schedule Reduction

FL2701203394 Port-au-Prince Signal FM Radio in French 1130 GMT 27 Jan 94

[Text] The Professional Association of Banks, APB, says it fully supports the spirit of the resolution adopted on 25 January by the other members of the private sector, that is, the closing of enterprises from 28 January to 9 February. The association announces that it will, however, continue partial service to its customers during the period of cessation of commercial and industrial activities.

The savings and housing banks will remain open to the public from 0900 to 1200 on Wednesday, 2 Feb; Friday, 4 February; Monday, 7 February; and Wednesday, 9 February. The banks explain that by this measure, they wish to fulfill their responsibility to the public, allowing customers to prepare for any possibility during this period of stoppage that the private sector intends to observe.

Jamaica

Government Announces Supplemental Budget Plans

FL2701171994 Bridgetown CANA in English 1516 GMT 27 Jan 94

[Text] Kingston, Jamaica, 27 Jan, CANA—The Jamaica Government has tabled supplementary estimates in parliament seeking an additional three billion dollars to finance its 1993/94 budget.

The revised estimates which are likely to be approved early next month will increase the budget for the financial year to 43.392 billion dollars (one Jamaican dollar just over three US cents) from the original 40.371 billion dollars.

The additional money will go to recurrent or housekeeping expenses, which move up from 28.146 billion dollars to 31.758 billion dollars while the capital side of the budget has been slashed by 591 million dollars from 12.225 billion dollars to 11.634 billion dollars.

The greater portion of the increase will cover public debt payments and public sector salaries.

St. Kitts and Nevis

Opposition Wants 'Outside Help' To Solve Problems

FL2701133694 Bridgetown CANA in English 2231 GMT 26 Jan 94

[Text] Basseterre, St. Kitts, 26 Jan, CANA—In the aftermath of clashes outside parliament, the opposition St. Kitts-Nevis Labour Party on Wednesday asked for outside help to solve political problems triggered by an inconclusive general election last November.

"It is time for the regional and international communities to come to the assistance of the people of St. Kitts and Nevis in finding a solution to our problems before the situation escalates further," the party said in a statement.

The party is pressing for fresh general elections, arguing that the minority coalition government formed by Prime Minister Kennedy Simmonds' People's Action Movement [PAM] and the Nevis Reformation Party has no moral authority to run the twin-island state.

The coalition holds five of the eleven seats in parliament. The Labour Party has four (like PAM) and the Concerned Citizen's Movement two.

On Wednesday, Labour Party supporters took their campaign for fresh elections to parliament, meeting for the first time since the November 29 election.

Outside parliament, they clashed with police, who fired stun grenades to keep back the crowd and clear the way after the presentation of the traditional throne speech for the exit of Governor-general Sir Clement Arrindell, Prime Minister Simmonds and other officials.

At least two persons were reported to have been injured.

The Labour Party said parliament "was opened amid loud noises from unarmed people calling for fresh elections, shattering glass and bottles, smoke bombs, tear gas explosions and concussion bombs fired on the protesters by the police".

The party said businesses and banks had been closed, school children sent home and government departments closed to the public.

It accused the government of "repressive and military action ... just to open parliament".

The party said it was clear "that the people of St. Kitts do not intend to accept the Simmonds regime, and they would continue to struggle for the government of their choice and for fairness and justice until Dr Simmonds honours the agreement he made with the national church leaders for fresh elections within six months".

Simmonds described the protest action as "unfortunate and really distressing".

The police reported the incident had been brought under control by midday.

St. Vincent and the Grenadines

Prime Minister on Talks With European Delegate

FL2601184794 Bridgetown CANA in English 1730 GMT 26 Jan 94

[Text] Kingstown, St. Vincent, 25 Jan, CANA—St Vincent and the Grenadines prime minister, James Mitchell, says government intends to become more involved in negotiations with the British fruit-buying company, Geest on contracts for the sale of bananas in Europe.

"We are preparing our negotiations with Geest and the government intends to get more active in the negotiations with Geest in the future," he said.

"We can't leave it entirely up to the (Banana Growers) Association because they do not have the expertise to deal with this critical issue."

Mitchell was providing an update on the government's position on bananas and the outcome of recent discussions with Phillipe Darmuzey, the European delegate to the Caribbean.

He said action was to be taken on three fronts as far as the european union was concerned.

Efforts are to be made to access Stabex [expansion not given] funds provided under the Lome Convention as compensation for loss of earnings on exports of bananas.

The possibility of accessing funds under the Lome VI regional indicative programme for agricultural assistance and bananas particularly was also addressed, Mitchell said.

Funds under this programme were recently dislodged following discussions with European officials in Brussels, he said.

"Now that the Greek presidency is taking certain initiatives in the European Union we discussed how we could assist the process in lobbying or by any other activity in ensuring we have a special assistance fund developed for assistance of the banana industry," Mitchell reported.

On the question of a reported proposal by the U.S. company Chiquita to purchase bananas from the Windward Islands, Mitchell said no proposal had been put forward.

"We are prepared to look at all the options but I would not want to interfere with the long-standing understanding relationship with geest unless I were to see something substantial," Mitchell said.

A one-year interim contract with geest expired at the end of 1993 and the Governments of Grenada, Dominica, St Lucia and St Vincent and the Grenadines and banana officials are preparing to re-negotiate.

Officials of the Windward Islands Banana Association (Winban) have prepared a document for perusal by governments and industry officials going into the negotiations.

Sources said the removal of a clause which binds the Windward Islands to selling bananas exclusively to Geest is among the proposals which Winban has made.

Trinidad and Tobago

Army Mobilized To Fight Crime

FL2601182294 Bridgetown CANA in English 1747 GMT 26 Jan 94

[Text] Port-of-Spain, Trinidad, 26 Jan, CANA—Trinidad and Tobago has mobilised its army in the fight against crime on the street.

National Security Minister Russell Huggins said 300 armed soldiers have been placed on foot patrol in crime-hit areas throughout the country.

They are in the eastern part of Port of Spain, the southern San Fernando City and in some rural eastern and southern villages.

The issue of putting soldiers on foot patrol was mentioned in a statement to the nation last Friday by Prime Minister Patrick Manning, who expressed concern over the increase in serious crimes.

Last year, almost 20,000 serious crimes were reported to the police. There were 108 murders, including drug-related killings and the execution of key state witnesses. For this year, the country has so far witnessed 17 murders.

Following Manning's statement to the nation, Huggins met with Commissioner of Police Jules Bernard and chief of defence force, Brigadier Ralph Brown, over the weekend to work out a plan to have the soldiers on foot patrol.

Previously, soldiers had joined policemen in joint-patrols but this came to an end when there were no working vehicles to accommodate the special crime-fighting initiative.

Huggins said that like ordinary citizens, the soldiers were allowed to make citizen's arrest.

He also said that the soldiers' presence would act as a deterrent to criminal activites while bringing comfort to citizens.

"Having soldiers unaccompanied by the police is designed to bring comfort to the citizens," he said.

"It is not envisaged that bandits, seeing armed soldiers would say they don't have powers of arrest and decide to pull out their guns and commit robberies.

"The comfort aspect is just as important."

CNDH Reports on Chiapas Situation

PA2701164094 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 26 Jan 94

[Report by Samuel Prieto Rodriguez in San Cristobal de Las Casas from the "Good Morning From Mexico" newscast]

[Text] The National Human Rights Committee [CNDH] issued from San Cristobal de Las Casas, Chiapas State, a report on its work in Los Altos de Chiapas.

According to the report, there has been an individualized follow-up investigation of the legal situation of 131 persons reportedly arrested, including three minors. Of those persons, 60 have formal arrest warrants against them, and 58, including one minor, are free.

It is also known that 18 persons who are Guatemalan, Salvadoran, and Honduran nationals are at the disposal of the immigration authorities in Tapachulas for violating the General Population Law [Ley General de Poblacion].

The CNDH reports that out of 400 missing person reports, 278 people have been located.

Regarding the criticisms from nongovernmental organizations—particularly from Amnesty International—the CNDH said it believes the time will come for them to settle those differences. For the time being, the CNDH said, it is focusing all its attention on complaints and its work in support of the civilian population.

On another topic, Samuel Ruiz, bishop of San Cristobal de Las Casas, said all the Mexican people, regardless of their religious preferences, must get involved in the search for a profound solution to the problems brought up during the conflict.

Ignacio Diaz De Leon, executive secretary of the Inter-Religious Council meeting in San Cristobal de Las Casas, said the role of the Council is to raise society's consciousness regarding the dignity of the indigenous groups.

Peace Commissioner Urges More Respect for Church

PA2701182894 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 27 Jan 94

[From the "Good Morning From Mexico" newscast]

[Text] Manuel Camacho Solis, Chiapas State peace and reconciliation commissioner, has called for more respect for the role of churches in the conflict area so as not to provoke forms of violence. After meeting with evangelicals on 26 January, Camacho considered as very damaging to the peace process the statements accusing church members of instigating the armed conflict. He explained this could create new forms of violence instead of contributing to the resolution of the situation.

After leaving Los Pinos Residence, where he met with President Salinas de Gortari, Camacho announced that things are moving on the right track, adding that at noon on 27 January he will report the results of the measures taken to the Zapatist National Liberation Army forces.

Postpones Reply to EZLN

PA2701200794 Madrid EFE in Spanish 1907 GMT 27 Jan 94

[Excerpts] Mexico City, 27 Jan (EFE)—Manuel Camacho Solis, presidential commissioner for peace and reconciliation, today unexpectedly postponed his reply to the demands of the Zapatist National Liberation Army (EZLN) for a possible dialogue to end the armed conflict in Chiapas State.

Camacho said the postponement of the reply, which had been announced on 25 January for 1800 GMT today, is due to the fact that he had received in the last few hours "new information and elements that allow progress toward a dialogue."

Camacho reiterated that the only objective of this entire effort is achieving an end to hostilities, and that is why he decided to postpone the reply. "This is a delicate moment, which we must handle with utmost responsibility," Camacho Solis said. [passage omitted]

Camacho's announcement has created a great deal of anticipation in Mexico City, where there is conjecture about the origin of the new information received by the presidential peace commissioner. The peace commissioner and Bishop Samuel Ruiz of San Cristobal de las Casas (Chiapas) are in the Mexican capital. The bishop has been appointed the Mexican Government's mediator with the EZLN rebels. [passage omitted]

Bodies of 2 Men Arrested 6 Jan Discovered

PA2701234894 Paris AFP in Spanish 1633 GMT 26 Jan 94

[Text] San Cristobal de las Casas, Mexico, 26 Jan (AFP)—The Coordinating Board of Nongovernment Human Rights Organizations [Conpaz] today reported that the decomposed bodies of two young men were discovered on Monday, following their 6 January arrest by police in Las Margaritas Municipality.

In a statement to the media last night, Conpaz member Roger Maldonado confirmed the bodies of Jorge Solis, 21, and Eduardo Gomez, 22, were found "in an advanced stage of decomposition" near a rural road in Las Margaritas.

Citing eyewitness reports, Maldonado said the young men had been arrested by policemen, transferred to a local jail, and "moved that same day by Mexican Army soldiers" to another town. Their corpses, which had been "mutilated" by buzzards, showed "numerous knife wounds on different parts of the bodies," according to Maldonado.

For the past two weeks, international organizations have charged the Mexican Army with alleged human rights violations and "extreme abuse" against prisoners. These accusations have been denied by the Defense Ministry.

Meanwhile, amid expectations of a possible start to negotiations between the government and the guerrilla forces, the capital's news media on Wednesday "urged" political and social reconciliation in southern Mexico. Some 26 days after the rebellion broke out in Chiapas, the media is viewing as "positive" the rebels' offer to negotiate a series of demands, as well as President Carlos Salinas' promise to seek a solution to the crisis "through dialogue, reason, and harmony."

"The most urgent matter is to work toward reconciliation," it was stated in an editorial in the progovernment morning newspaper EL MATUTINO. The independent newspaper LA JORNADA asked both parties to "take action" by way of "specific decisions that will lead to a dialogue for which the entire nation is waiting and hoping."

In communiques that were released Tuesday, the Zapatist National Liberation Army (EZLN) proposed a "public dialogue" with the government based on an agenda that includes its political, social, and economic demands. "Peace Commissioner" Manuel Camacho Solis replied he would announce on Thursday a "detailed proposal" to carry out "a serious, honest, and responsible dialogue" with those who rebelled on 1 January. Moreover, Salinas made a quick trip on 25 January to Tuxla Gutierrez, capital of Chiapas, where peasants and Indians demanded food and clothing, medical attention, and support for the reconstruction of areas affected by military clashes.

All of these facts, which have been interpreted by the media as "encouraging signs" of rapprochement, improve upon last week's situation in which the possible beginning of a political negotiation was far from certain. "The EZLN destroyed the filigree President Salinas had constructed around himself during his five years in office," and it has "compelled the regime to take stock of its situation," wrote EL FINANCIERO columnist Raymundo Riva Palacios.

During his visit to Chiapas, Salinas promised representatives of 280 Indian organizations he would help them "promote peace, development, and justice," adding that the government "favored a project to improve the people's life."

Salinas Admits State Information System Failed in Chiapas

PA2801151794 Mexico City NOTIMEX in Spanish 0538 GMT 28 Jan 94

[Text] Mexico City, 27 Jan (NOTIMEX)— President Carlos Salinas de Gortari admitted today that the state's information system "did not work" in preventing the conflict in southeastern Chiapas State. "I spoke about what didn't work, and there were fundamentally two things," Salinas de Gortari said during a meeting at the presidential residence with the cabinet, governors, and legislators.

The president noted first "the remoteness of authorities and the resulting lack of communication and information on what was happening there, and second the state information system." Salinas appointed a commissioner for peace and reconciliation in Chiapas on 10 January during a reshuffling of his cabinet, which he described as "a recognition of what didn't work." The president told the officials and legislators with whom he had breakfast that a deep reflection on political matters was necessary.

"Now more than ever we need politics in the best concept of the word, meaning as a task, an endeavor, a commitment in favor of the loftiest causes of the people, and as the art of avoiding confrontation," Salinas stated. Local authorities must not be satisfied with saying that they know about the problems of their regions, the president indicated. "They have to be there; they have to get out more."

The president urged officials "to work, go out more to all the states of the republic, be closer to the people and their problems, and be closer with solutions in favor of our countrymen." The Mexican head of state stressed that "political circustances that we need to acknowledge" are among the causes that led to the situation in Chiapas.

"Many cases of abuse... have turned into narratives and stories. On occasions there has been a lack of political homework by the authorities and organizations to be close to their fellow citizens, as well as a lack of opportunities." President Salinas de Gortari stressed that "it is truly wrong to try to link poverty and needs with violence. If that were the case, one-third of mankind would be up in arms today."

"We must explicitly recognize it. That is why we said this is not an Indian uprising but an uprising with the participation of Indians, several of them facing hardships, others practically tricked into it." After noting that the only surprise in Chiapas has been the attempt to use violence as a method to remedy the situation, he added: "That is indeed alien to the institution building we have been engaged in for several generations."

"There is nothing the aggressor group can do that can exceed the Mexican state's capacity to react with a response committed to peace, justice, liberty, and democracy," the president said. Salinas reiterated that the Mexican Army "acted and has been working ably and loyally in line with its constitutional responsibility in response to the request by the authorities" of Chiapas State. There are some indicators in Chiapas that point to "major lags accumulated over decades, even centuries," the president admitted. He has supported actions to overcome social backwardness in that state and the damage of the conflict.

On 1 January, an armed group arose in Chiapas to press the demands of Indians who took over towns, thus necessitating Army intervention. On 10 January the government adopted reconciliatory measures to seek a political solution to the conflict.

El Salvador

Public Works Employees Initiate Work Stoppage

PA2701153994 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 26 Jan 94

[Report by Daisy Villalobos from the "Facing the Moment" newscast]

[Text] Thousands of employees of the Public Works Ministry decreed a work stoppage on Wednesday to demand payment of salaries and overtime. At least 15,000 public works employees throughout the country participated in the stoppage to demand payment of salaries and overtime, as well as a reclassification of personnel based on an agreement reached last year.

Salvador Acuna, secretary general of the ATMOP [Public Works Ministry Workers Association], said other public works departments will join the stoppage if the demands are not met.

[Begin Acuna recording] For the time being we can count on 15,000 employees honoring the stoppage. We can add new workers every day with the new departments that have joined us. The Air Transportation Directorate could join us tomorrow, because we have ATMOP directorate board members there. The same goes for the National Land Transportation Directorate, which will join the stoppage today, and the Maritime Transportation Directorate, which could join on Friday. We do not want to inflict major damage, but our demands must be met or we will continue the stoppage indefinitely. [end recording]

We have reports from all over the country that employees of public works' branches in all department capitals will implement the measure to support the demands.

Guatemala

Bomb Blasts Create 'Unrest' on Eve of Public Workers Strike

PA2801144794 Guatemala City Teleonce Television in Spanish 0345 GMT 28 Jan 94

[From the "Telepress" newscast]

[Text] A terrorist attack which caused a blackout in a large part of Guatemala and diverse acts of violence contributed this Thursday to create a climate of unrest in the country. This has occurred on the eve of a public workers strike, which according to the strike promoters, will be joined by over 200,000 workers. The uncertainty heightened in the wake of the decision by the Transportation Coordinating Board to paralyze activities this coming Tuesday. This measure could leave the country without a normal fuel supply during the strike.

The explosion that we mentioned earlier injured three persons who were identified as: Lydia Bolanos, 32; Carlos Bolanos, 35; and Ramon Hernandez, 32. Mrs. Bolanos is employed by the computer section of the National Police and happened to be passing by the area. The shrapnel scattered up to a radius of 5 km, reaching the Kennedy and Galilea neighborhoods of Zone 18. [sentence as heard]

There were reports of other bomb explosions in the outlying part of the city, in Panorama neighborhood in the city of San Cristobal.

[Begin recording] [Volunteer firefighter Aguirre] Thus far we have received reports of three bomb blasts that occurred in Las Ilusiones neighborhood in Zone 18 where the electricity towers were damaged. Also, it was reported that another electricity tower was damaged on the Pacific highway at the 22-km marker. Our units were dispatched to the area and are searching for possible casualties. Also, we received a report of another bomb explosion in Panorama in the city of San Cristobal.

[Unidentified reporter] Mr. Aguirre, can you tell us if these bombs have caused any casualties?

[Aguirre] Yes, we learned that three persons injured in Ilusiones neighborhood were taken to the general hospital in Zone 6 for emergency treatment.

[Reporter] How badly were they injured?

[Aguirre] Up to the moment, we learned that they sustained cuts, bruises and injuries to several parts of their bodies.

[Reporter] Mr. Aguirre, can you tell us about a gasoline station on fire in Zone 11?

[Aguirre] Yes, at this moment units 29, 31, and 37 are trying to control a big fire on 16th Street in Zone 11. Thus far it is not known what caused the fire. [end recording]

URNG Reportedly Downs Power Tower

PA2801152994 Guatemala City Cadena de Emisoras Unidas in Spanish 1400 GMT 28 Jan 94

[From the "Guatemala Flash" newscast]

[Text] Alleged URNG [Guatemalan National Revolutionary Unity] cells downed and destroyed three power transmission towers last night. This happened in Las Ilusiones, Zone 18, Villa del Dorado, Zone 8, and the Ulises Rojas neighborhood at the 21-km marker on the Pacific highway, Villa Nueva Jurisdiction. Powerful charges downed the towers, causing a blackout in Guatemala City and the interior of the country. The blast hit Lirio Bolanos Rosas, a National Police employee of the National Police, on Zone 18, and had to be hospitalized. Last night and early this morning, technicians of the electricity company and INDE [National Institute of Electrification] estimated the damage caused at 500,000

quetzales. They did not make estimates on the serious damage the blackout caused to homes, hospitals, clinics, and computer centers, as well as to citizens who were the victims of crimes perpetrated under cover of the hour-long blackout in Guatemala City. The bomb squad defused a powerful device in the Ulises Rojas Neighborhood.

Causes Blackout in Guatemala City

PA2801043194 Panama City ACAN in Spanish 0346 GMT 28 Jan 94

[Text] Guatemala City, 28 Jan (ACAN-EFE)—Part of downtown Guatemala City was blacked out at about 2130 on 27 January following an explosion of unknown origin, which was heard by the population. It is not known whether there were any casualties.

The blackout affected areas near the Presidency of the Republic, the National Congress, the Archdiocese Palace, the Army Information Office, the headquarters of unions and popular organizations, the shopping center, and several foreign press agencies.

Guatemalan firemen told ACAN-EFE they are investigating the cause of the blackout and the reason behind the explosion. There is little traffic on the streets.

Guatemala has lived through a wave of terrorist attacks in the past few weeks, which the Army blames on the guerrillas who are trying to discourage the population from participating in the referendum next Sunday to approve or reject constitutional reforms that would move back elections for deputies and change the Supreme Court. The attacks have resulted in the death of one person.

Leaves Capital, 2 Departments Powerless

PA2801045094 Mexico City NOTIMEX in Spanish 0416 GMT 28 Jan 94

[Text] Guatemala City, 27 Jan (NOTIMEX)—A powerful dynamite charge exploded at an electric power pylon at 2125 tonight, which left Guatemala City as well as the departments of Chimaltenango and Escuintla without power. The National Police report the explosion inflicted damage at the Guatemala-Norte station, east of Guatemala City, which distributes electricity from the Chixoy hydroelectric plant.

The terrorist act caused traffic jams in various parts of the city with traffic lights going out. Meanwhile, authorities from the National Electric Institute are working to restore power. The incident occurred 72 hours prior to the vote on a referendum to approve or reject 37 constitutional reforms.

In addition, military sources reported that Guatemalan Army troops sustained five casualties when they clashed with a column of the Revolutionary Organization of the Peoples in Arms (ORPA) at La Igualdad farm in La Reforma.

Soldier Julio Lopez Chavez told NOTIMEX that at 1300 the 1st and 3d Companies of the San Marcos Detachment searched La Igualdad farm, 280 km to the west of Guatemala City, where the guerrillas mined the field. The two Army companies detected the presence of the 15 ORPA rebels, who retreated to a very deep and rocky area when they noticed they had been discovered.

The soldiers proceeded to comb the area in search of the rebels. Two soldiers, Mauricio Hernandez Chun and Jose Pacual Merlo, died when they activated a claymore mine. Three soldiers were also injured by shrapnel from the mines. The soldiers' bodies and the injured soldiers were transferred to Coatepeque on the San Marcos Department border.

Explosion Downs Third Power Pylon

PA2801125094 Panama City ACAN in Spanish 0542 GMT 28 Jan 94

[Text] Guatemala City, 27 Jan (ACAN-EFE)—Firemen have reported that unidentified persons have downed a power pylon, the third to experience this fate in the past two hours, thus creating a blackout in Guatemala, the second today in this country.

According to municipal firemen, an earlier explosion of a dynamite charge injured three persons and destroyed a tower northeast of this capital, which has a population of more than 1 million.

Another tower in the town of San Cristobal, south of the capital, was damaged by a bomb that exploded at approximately 2130 (0330 GMT).

The firemen have said that there is no confirmation of whether the first reported explosion was produced by a dynamite attack.

The downing of the power pylons produced blackouts in the capital and in Solola and Chimaltenango Departments in the west and in Jutiapa and Santa Rosa Departments in the southeast of this Central American country, the only country in the area where guerrilla violence continues.

The attacks are taking place on the eve of a strike by 200,000 state employees; in the absence of Guatemalan President Ramiro De Leon Carpio, who is staying overnight in Honduras; and only 48 hours prior to a referendum to reform the Constitution to advance the legislative elections.

Unidentified Individuals Fire At U.S. Embassy; No Injuries

PA2801122094 Panama City ACAN in Spanish 0612 GMT 28 Jan 94

[Text] Guatemala City, 28 Jan (ACAN-EFE)—A group of unidentified individuals fired at the U.S. Embassy in Guatemala City on Thursday shortly before midnight while almost the entire city was without electricity

because three high tension towers were blown up, the Guatemalan police reported today.

A spokesman for the security forces told ACAN-EFE that unidentified persons inside a vehicle fired at the diplomatic mission as they drove by. No one was injured, and there was no property damage.

Embassy guards did not repel the attack, which took place at around 2330 (0530 GMT Friday), when the city was still without power as a result of three downed high tension towers in different areas of the outskirts of the city. No organization has claimed responsibility for the attack.

Further on Shots Fired

PA2801124194 Mexico City NOTIMEX in Spanish 0645 GMT 28 Jan 94

[Text] Guatemala City, 28 Jan (NOTIMEX)—Unidentified men in a moving vehicle last night fired into the air in front of the U.S. Embassy, where approximately 600 peasants are demonstrating to demand the U.S. mission's intervention in the solution of a land conflict.

Eyewitnesses and security guards at the U.S. Embassy confirmed that at 2345 (0545 GMT), several individuals in a blue car fired several shots.

The peasants, who are members of the Federation of Workers and Laborers [Federacion de Trabajadores y Obreros], early this morning are patrolling the area with sticks and machetes to ward off attacks. The Indians have been in front of the embassy for three days to request the mission's mediation with the "Penny Foundation" [Fundacion del Centavo], which charges them excessive interest rates on loans made to families to buy land and build houses.

The attack is part of the wave of violence prevailing in the Guatemalan capital, where in the last four hours unidentified individuals set off explosive charges at electricity pylons. There is unease among the Guatemalan people 48 hours before a referendum is held to reform the Legislative and Judicial Branches and shorten the presidential term from five to four years.

Bomb Threat Forces Evacuation of City Hall

PA2801165694 Guatemala City Cadena de Emisoras Unidas in Spanish 1630 GMT 28 Jan 94

[From the "Guatemala Flash" newscast]

[Text] All capital municipality employees have evacuated their offices as a search is under way for a bomb reportedly planted by unidentified individuals somewhere in city hall. It was reported a few minutes ago that municipal firefighters and members of the National Police are searching the building.

URNG Issues Statement on Resumption of Peace Negotiations

PA2701150694 Guatemala City PRENSA LIBRE in Spanish 22 Jan 94 p 47

[Statement by the URNG (Guatemalan National Revolutionary Unity) General Command on the resumption of peace negotiations, dated 20 January 1994]

[Text] With the signing of the Framework Agreement on 10 January in Mexico City, the negotiations process, which was impeded by the obstacles placed by recalcitrant sectors of the Army and private sector, is resumed.

This agreement to resume the negotiations is a step that must be duly assessed; at the same time, its essence and scope must be defined.

The signed document is an instrument and sets a stage that entails permanent and growing application. This is the renewal of a process that opens the doors to difficult and complex phases of dialogue and negotiations. This cannot be downplayed or overestimated. We have a great deal before us; we can achieve a great deal.

This framework, as a whole and given its specifications, guarantees the contents of the negotiations.

A necessary and essential starting point for the solution to an armed conflict with the characteristics of the Guatemalan conflict is the recovery, as a basis and foundation, of all that is positive from the process that began with the signing of the Oslo Agreement. Above all, the agreed upon agenda in Mexico should be maintained at the negotiations table. The essential political, economic, and social topics, which are called substantive, must not be excluded.

The fact that the participation of civilian sectors in the negotiations was agreed upon through an assembly, which will discuss and decide the substantive issues, and that the result of this opinion will be one of the most important for the negotiations between the Government-Army and the URNG represents progress. It carries undeniable political and social weight which undoubtedly neither of the parties can ignore.

The civilian sectors, summoned by the Legislative Assembly president, appointed by the Episcopal Conference, will sovereignly decide on the assembly's name, operation, internal policies, and mechanisms.

The terms of agreed upon legality and representation do not mean any limitation due to legal reasons; the parties have explicitly agreed upon this. It has also been made very clear and agreed upon to engage in a clean process, not to manipulate or hamper the assembly's work. The term "nongovernment" means those organizations that do not belong to or are not linked directly or indirectly to state structures.

The civilian sectors, led by the Legislative Assembly president, whom both parties hope will be Monsignor

Rodolfo Quezada Toruno, have a constructive stage that its representatives can take advantage of to foster and express their aspirations. [sentence as published]

The negotiations must be open and trustworthy for the parties. Through the Legislative Assembly president, mechanisms will be created so that the civilian sectors can have the necessary information. So that certain aspects of the negotiations will not be manipulated, the reserve required by the international organizations is necessary, something we accept. This is not an attempt to hide the issues and results of the negotiations, nor does it constitute any limitation on the civilian sectors to freely express themselves on the issues they broach.

The United Nation's nature of moderation, with its powers to convene, as promoter of initiatives and as an adviser, is the most adequate, given the characteristics of our negotiations process to resolve the armed conflict in our nation. The United Nation's moral weight and guaranty of verification of all the agreements, substantive as well as operative, make it essential for the feasibility of the process.

An agreement on fulfilling human rights is not excluded from the negotiations. This issue, which should be immediately implemented and verified internationally, is the initial and irreplaceable point of the first negotiation session. It is the first test of political willingness, but, above all, it is a fundamental condition and guarantee for the agreed upon negotiations.

An overall agreement is only possible if all of the points on the agenda are satisfactorily resolved. This year's goal, as indicated in the agreement, is to make all of the necessary efforts to attain the signing of a firm and lasting peace agreement. The temporary framework does not present nor condition the contents and development of the negotiations, nor does it mean the negotiation is concluded beforehand.

The URNG Command affirms its willingness to continue fighting for all of the people's aspirations. It trusts that within the framework of this agreement, with the guarantees that the various sectors of Guatemalan society should give, these will provide their decisive contribution for the construction of a just and democratic peace.

[Signed] URNG Command

[Dated] 20 January 1994

Denies Responsibility for Bomb Attacks

PA2701152594 Guatemala City SIGLO VEINTIUNO in Spanish 22 Jan 94 p 2

[Text] The guerrillas issued a communique to the media yesterday denying any involvement in the recent terrorist attacks and stating that "such acts are carried out by death squads trained and organized by the Army Staff."

The URNG [Guatemalan National Revolutionary Unity] Political- Diplomatic Commission stated that neither the EGP [Poor People's Guerrilla Army] nor any other guerrilla group is responsible for the grenade attack on 18th Street and 6th Avenue A, Zone 1, on 17 January. One person was killed and 17 were injured in that attack.

The communique also denied any rebel involvement in the attacks that destroyed judicial files in Quiche, blasted the front of the Legislative Palace, and destroyed GUATEL radio and television repeater towers in Tecpan Guatemala, Chimaltenango.

In addition, a spokesman for the URNG Political-Diplomatic Commission explained via telephone that "the URNG's actions have not gone beyond exploding pamphlet bombs in various parts of the capital to mark the EGP's anniversary and to extol the struggle of popular organizations."

The source added that the URNG attacks have not been designed to threaten human lives or damage private property because only light charges placed have been used. That is why, the spokesman reiterated, the URNG rejects the government accusations, above all those made by the military commander in Quiche, who accused the EGP of burning judicial files.

"The URNG General Command stresses that the terrorist actions can be attributed to sectors that oppose a political and negotiated solution to the internal armed conflict and to the death squads, which, under the direction of the Army Staff, have been functioning since last 28 November," the URNG spokesman concluded.

Army To Help Provide Security for 30 Jan Referendum

PA2801154094 Guatemala City Cadena de Emisoras Unidas in Spanish 1500 GMT 28 Jan 94

[From the "Guatemala Flash" newscast]

[Text] The Guatemalan Army will cooperate with the country's civilian forces on Sunday to maintain control so public order will not be disrupted and millions of Guatemalan voters can cast their vote in the referendum.

Ramiro De Leon Carpio, commander in chief of the Guatemalan Army, has issued strict orders to commanders of military bases throughout the country to fully support civilian authorities to maintain calm, free circulation so everyone can cast their wise vote in secret in Sunday's referendum.

De Leon Answers Questions on Referendum

PA2801033194

[Editorial Report] Guatemala City Radio-Television Guatemala in Spanish at 0400 GMT on 26 January broadcasts a one hour interview with Guatemalan President Ramiro de Leon Carpio by Dionisio Gutierrez as

part of the regularly scheduled "Free Encounter" program. The discussion centers on 30 January constitutional referendum and begins with Gutierrez recapping President de Leon's previous efforts to get lawmakers and Supreme Court justices, who were accused of corruption, to resign. Gutierrez asks if constitutional reform, "which the people will vote on this Sunday, was the only alternative left?".

The president replies: "Yes, I think so within the framework of democracy and circumstances that have prevailed since I took office." He adds that the Guatemalan people have called for the resignation and purge of the judicial and legislative branches, and other alternatives to achieving this were exhausted when the members of these branches refused to resign, and later, when the Constitutionality Court suspended the referendum to allow the people to express their views on the issue.

He said: "Although the ruling was unbelievable, I had to abide by it. Given this situation and the political crisis that was brewing, the only thing left was to use a third alternative, which was always democratic." De Leon noted that on 30 January, the people will have the opportunity to vote on constitutional reforms so they can "say yes, the deputies should go and a new congress should be elected; yes, the justices should leave and we should have a new Supreme Court of Justice, or no, let things remain unchanged with the same people."

He also notes the people are leery of the constitutional reforms because Congress drafted and approved them, but "in politics, what counts are the results." Gutierrez adds that the fact that some deputies, mistrusted by the people, are supporting the reforms compounds the people's feeling of weariness. Regardless of this situation, according to De Leon, the democratic system will be strengthened by the reforms.

In response to a question regarding the political cost De Leon had to pay for what is referred to as "holy wheeling and dealing" ("santa componenda") with Congress, De Leon states he studied it and "was always aware of the political cost" it entailed, but made the decision anyway because it brought a degree of political stability, which was lacking "at that time" to the democratic system.

Gutierrez points out to De Leon that he chose the hardest and most loyal path because he could have called a referendum within a week of taking office, and he asks "why did you choose the most difficult course?" The president acknowledges this may be the most difficult course, "but if we reach the end or goal, it will be the most satisfying "because the Guatemalan people are indicating they are beginning to love and defend their democratic system. He notes the third option may lead to the results the people wanted. "If the people wanted a purge, they can have it by voting yes on 30 January. If the people want the deputies to go, they will achieve that by voting yes on the referendum."

Referring to this point, Gutierrez says this may set a precedent for changing the Constitution in a peaceful manner. De Leon feels this "may be something historic and worth noting. This is the first time a Constitution will be amended in Guatemala without a coup d'etat, to be perfectly honest, or without the need to use force or break established order. This will be the first time the constitutional mandate of two state branches is being broken without the use of force or ending institutional order."

As for the question of who is paying for the "yes vote" campaign, the president refers to the work young volunteers are doing and adds: "What I can assure you is that the government is not paying for it." He goes on to deny money from the confidential fund is being used in the campaign because that fund "no longer exists." The constitutional amendments, he says, will eliminate confidential expenses, thereby "ensuring, from a constitutional standpoint, there will not be confidential funds, which have allowed so much corruption to exist, not just in the Presidency but in all the state agencies."

Gutierrez asks De Leon, "What will happen if voter abstentionism is high in the upcoming referendum?" De Leon says that many things can contribute to voter abstentionism "here and anywhere in the world. It is unusual for any country to have a voter turnout rate of more than 50 percent." Voter turnout may not be high on Sunday because a referendum is something new in the country, and although regrettable, it "would not change things," De Leon states. He then adds, "If the yes vote won by a slim margin, the amendments would enter into effect." To be sure, he hopes a large number of people will vote and make the event into a "civic holiday," as there will not be losers, since all Guatemalan people will be the "winners."

When asked to consider the possibility of a "no" vote victory, De Leon comments that this is most unlikely, but "should it happen, I would have to make decisions based on strategies, which I will not mention here because they would no longer be strategies. They would be public knowledge. It would be regrettable, more than regrettable because it would create a situation of unforeseen consequences. The people would not stand by idly. Even very small extremist radical groups would try to profit from this situation." He also notes that groups like the Guatemalan National Revolutionary Unity (URNG) would be "delighted" by this outcome because they are hoping "there will be social turmoil," and a crisis will ensue. In any crisis, the president has to be ready for certain decisions and strategies to be implemented, he affirms.

Gutierrez asks him to explain what aspects of the constitutional amendments he does not like. "I dare say," the president replies, "all the amendments are positive." Continuing on the same vein, Gutierrez asks the president to list five major advantages of the amendments. Besides the fact "the deputies will have to go, which is what the people want, and the people will elect a new congress, that the chief justices will have to go, and there will be a new Supreme Court of Justice, the first thing is

that the confidential fund will no longer exist. This is a major step against corruption," according to De Leon.

Second, power abuse will be prevented because Congress will no longer be in charge of trying deputies accused of wrongdoing. Another government branch will handle these cases.

Third, the budget will be public for the first time, thanks to the amendments. De Leon says, "This means honesty and better control over public spending."

According to De Leon, the fourth advantage is that they strengthen and provide real autonomy to the Comptroller's General Office. "This means controlling public spending, so that officials from the president on down do not—simply put—steal, enrich themselves illegally, or steal the Guatemalan people's money.

Fifth, the Attorney General's Office is strengthened to prosecute illegal actions and prevent political impunity. Besides these five advantages, De Leon talks about another amendment that prevents the Bank of Guatemala from making loans to the government. Although he vows never to act recklessly in issuing money without backing, "we must guarantee, that in the future, governments will not do as past governments have done."

In De Leon's opinion, other advantages are that municipalities will receive 10 percent of the national budget, which is to be spent on programs to help the most needy; the mandate of the president and deputies is reduced to four years; there will no longer be alternate deputies; and the Supreme Court will be depoliticized.

The host tells De Leon he has read the amendments and he finds it odd that opposition to them is so strong. Some people in the country have said there has been little time to study them and would have wanted them to cover more areas. Gutierrez states that if approved, the Constitution will be much better than it was. De Leon acknowledges the people have not been told this is "merely a first step, the beginning, in restructuring and modernizing the state," something that is achieved by purging and restructuring the state branches, and, most of all, by setting a precedent. The new deputies will take office with fewer privileges and they will be aware the people are watching them, he states.

When asked if the deputies will be compensated for the months left in their term if the "yes" vote wins? De Leon flatly replies: "God forbid!" Gutierrez then asks De Leon when will Deputy Rodil and his team leave. De Leon replies that based on these amendments, deputies and their alternates will leave their seats 60 days following the referendum or on 31 March. Elections are to be held 120 days later. "In August, we could have a new Congress and Supreme Court," De Leon indicates.

On the topic of voter abstentionism, De Leon asks the people to ponder the matter because the "destiny of Guatemala lies in the hand of the yes or no vote. He thinks that "to urge people not to vote is irresponsible." He adds that the URNG is asking the people to vote no "because they would gain if we had chaos or a crisis."

Correction to Peasants Protest at U.S. Embassy

PA2701150494

The following correction pertains to the item headlined "Peasants Protest at U.S. Embassy, Seek Debt Relief," published in the 27 January Latin America DAILY REPORT, page 11: Column two, paragraph one, sentence two, make read: ...their debt with the Agency for International Development (AID) be forgiven. (new graf)

The... (correcting agency name) Paragraph two, first sentence, make read: ...the embassy by one of U.S. Ambassador Marilyn McAfee's advisers, who refused to... (correcting name, title, rewording)

Honduras

President Reina Delivers Inauguration Speech

PA2701191594 Tegucigalpa Radio and Television Networks in Spanish 1648 GMT 27 Jan 94

[Inaugural speech by Honduran President Carlos Roberto Reina at the National Stadium in Tegucigalpa—live]

[Text] Mr. President of the sovereign National Congress and Messrs. Deputies; Mr. President of the Honorable Supreme Court of Justice and Messrs. Magistrates; Your Excellencies heads of state and government and Vice Presidents; Your Excellencies and honorable heads of special missions; national, civilian, and military authorities; Mr. Archbishop of Tegucigalpa and bishop of Honduras; Messrs. Representatives of the country's organized groups; special guests; Messrs. Representatives of the local and foreign media; Honduran people: [shouts, applause]

This prelude to the third millennium is a unique time in man's history; it is his time of freedom, freedom before nature, because a formidable breakthrough in the development of science has unleashed a spiral of technological miracles that constantly revolutionize our methods of production, life, and thought; freedom so that every nation may seek a better future, because not only have the markets reached world proportions, but, above all, hopes have reached world proportions; freedom for every man and woman to seek their own destiny, because all of the old dogmas have capsized, and the irrepressible tide of freedom has defeated totalitarianism and authoritarianism throughout the world.

To state it is a time of freedom is tantamount to saying it is time for great moral decisions; hence, at this very moment mankind has again chosen between civilization and barbarism, between a rational dialogue, as in Central America, the Middle East, and South Africa, and the demential option of a new age of violence, as in Bosnia, Somalia, and Georgia; between the suicide of continuing

to extinguish and poison our planet and the clear awareness that either we all survive or no one survives; between the myopic lack of solidarity among nations, such as the myopic decision to drown poor countries with the burden of foreign debt, or to deny them access to the markets of the rich countries, and the lucidity [applause, shouts] the lucidity [repeats himself] of knowing that the poor people of the world will respect no borders pretty soon; between the rarefied air of the government's corruption and the fresh breeze resulting from the moral anger of a citizenry that is ousting, in one country after another, ministers, heads of state, and political regimes. [shouts, applause]

It is time for man's freedom, time for great moral options. That is why the moral revolution begins today in Honduras for all our people! [applause, cheers; crowd chants "Reina! Reina! Reina!"] Ladies and gentlemen, the moral revolution is much more than a campaign slogan. It is the foundation and keystone for building a new Honduras. The moral revolution means values will again be more important than interests and that the people's desires will always prevail over personal interests. The moral revolution means that Honduras is declaring itself of legal age, and its people have chosen to play a leading rather than a supporting role in their own history. The majority—underprivileged until yesterday—has decided to take control of their destiny. [cheers, applause]

The moral revolution is a daily, constant effort that should be exerted not only at the government level but also in all of the actions of our public and private life. The moral revolution means all state officials—from the president to the most modest official—will dedicate their efforts to serving the people rather than using their position to get richer and helping their closest friends get richer. [shouts, cheers, applause] The moral revolution means Honduras will truly be a legal state, where the law is the only arbitrator of the people's actions and where the authorities are never able to abuse their power to violate citizens' rights. [shouts, applause, cheers]

The moral revolution means placing once again the Honduran woman and man in a prominent position. It means recovering our fellow citizens' personal values and self-esteem. It means all the authorities' actions will be at the service of human development, and that our country's riches and potential are based on the talent, tenacity, and honesty of its people rather than in the abundance of its natural resources. It means recognizing that Honduras is not so much a poor country but a country that has been poorly managed. It means [cheers, shouts] in sum, we are not interested in economic development per se. We are interested in the development of our people, by our people, and for our people. [cheers, applause]

Ladies and gentlemen, the moral revolution means a new pact between the Honduran people and their government, a pact to rationalize the size of its administration and simplify its procedures to have honesty instead of corruption, encouragements instead of obstacles to private initiative. [cheers] We will not continue to confuse the state with bureaucracy. Above all, the state will be the expression and guarantee that Honduras has a national unity. Honduras has a national identity, and Honduras has a national purpose. The state is the Honduran essence in action; it is the future about which we all have dreamed and the future we will all build.

Furthermore, the state is the sovereign rule of the law. Therefore, with the authority I have as a lifetime jurist and invariable democrat, today I assert before the world: There will be no more impunity for human rights violations in Honduras! [applause, shouts]

My government will not allow personal interests to prevail to benefit the upper class, nor will it allow discrimination to exclude the lower class. The state guarantees a free and just existence for each and everyone. It does not signify choosing between a neoliberalism without soul and interventionism without a future. It involves an effort to merge all the possible markets with all the state that is necessary. It signifies trying to respect and stimulate the free initiative of our businessmen and our workers, so that our agriculture and industry will compete openly but on an equal and effective footing with the other nations.

It involves having the state, enterprise, and unions become partners in achieving a new place for Honduras, within the world economy. This was done by countries which, as the so-called Dragons of Asia, did not have more wealth than we do up until a few years ago. We will do so to defend our agriculture up to the phase of processing and commercialization, where the largest part of the aggregate value is generated. We will do so, to diversify farming and artisan exports, to reconvert industry or to consolidate ecotourism. It means, above all, an effort to progress from formal democracy to real democracy. Hondurans will not only be equal before the law but equal in life, to break that infamous encirclement in which hunger, poor health, and ignorance have so many of our fellow citizens trapped [applause] so that we may look into the eyes of our children and tell them there is an opportunity for everybody on earth.

Ladies and gentlemen, I have never been a salesman of dreams. I am not unaware of the tenacity, complexity, or the extent of the problems of our Honduras, nor have I been a collector of recriminations. The people already had their say in the administration of my distinguished predecessor, whom I warmly embrace on this symbolic day of our republican life. [applause]

The people know how difficult the economic, social, financial, and foreign exchange problems the new administration will have to face. I did not promise rivers of milk and honey. I offered to change the shamed face of our fatherland. I offered the dignified austerity of a government that will work with as much tenacity and honesty as do the peoples of the Republic of Honduras. [applause]

I promised not to take into consideration how state decisions would affect or not affect my personal interests and those of my relatives and friends. I promised to govern for all Honduras, and I will govern for all Honduras. [applause] It is the only thing I can do after being in love for such a long time, always in love with my Honduras, my fatherland.

I give you my word of honor before God, the people and history that I will succeed in the plan that I have undertaken. I am going to defeat corruption in Honduras. [applause, cheers] I am going to implement social liberalism. I am going to carry out a moral revolution for all our people.

I pledged to do this and the time has come to begin fulfilling my solemn promises to the people. The administration of all properties I own will be crystal clear. The president of the Republic will not be directly or indirectly involved in private businesses or companies. [applause, cheers]

The members of my government cabinet must present sworn statements of their current assets and liabilities, and they will refrain from conducting business deals with any state institutions. [applause] In the next few hours I will appoint a special auditor for each public institution. [applause] I will end the confidentiality with which certain budget entries have been handled for some time. [applause, cheers] I will impart precise instructions to the state's comptrolling and inspection bodies. I will not hesitate to report any attempt to shelter the corrupt with the blanket of impunity. [applause, cheers] I will send to Congress a bill for a code of ethics for government employees.

I have nominated individuals of undisputed moral integrity, as well as of the highest intellectual qualifications and the most recognized professional backgrounds, for the Supreme Court of Justice.

I will convoke the Higher Council of Economic Planning to begin the great process of national dialogue.

We will immediately and drastically begin cutting all superfluous spending by the Honduran state. [applause]

With the patriotic participation of the Armed Forces, we will define its role in the new scenario of peace, democracy, and development. I respectfully greet the chief of the Armed Forces of the Republic of Honduras. [applause]

We have already initiated the dialogue with multilateral credit organizations to clear the horizon in matters pertaining to currency exchange and to prevent the need to service the debt from suffocating urgent social problems. Under the personal direction of the president of the Republic, ministers for economic and social issues will form a special council with new methods to coordinate social and economic issues into a single policy.

We will increase social spending until we bring it to 35 percent of the state's budget. [applause] The savings derived from the austerity program and the cuts in superfluous spending, as well as the funds received from international cooperation, will be earmarked for priority programs of human development, food security, basic health, basic education, productive employment, and housing.

Distinguished delegations from friendly countries and international organizations, you are cordially welcome in this land of liberty and tolerance called Honduras. [applause] It is true that in the struggle that brought mourning to our neighbors during that suicidial decade of the Cold War, Hondurans were forced to assume leading roles that we did not seek and did not want. But the wounds from that episode have already healed. Democrats throughout the world have a fatherland here in Honduras. I hope that Hondurans will continue to count on international solidarity to make this fatherland a pillar of democracy and development.

Once more we can walk together with our Central American friends to consolidate our democratic accomplishments, to eliminate extreme poverty, to foster the economies, to protect the environment, and to adopt an emergency program that avoids any setback for the peace for which we worked so hard. We can now walk together to deepen economic, political, and social integration with greater participation by civilian society and a better articulation of regional institutions.

We can be present for the processes of continental integration and inter-American forums and those of the international community without being haunted by the specter of old suspicions. Honduras has chosen to be genuinely free, socially just, and politically sovereign. Honduras has chosen to come of age.

Fellow countrymen: Today we bid paternalism farewell. The tasks ahead are too beautiful for any Honduran to renounce the adventure of participating in their implementation. These tasks are too great for the shoulders of Carlos Roberto Reina alone. They are too great for a government team. These are tasks that can have but one size, the enormous size of Honduras, a Honduras that will keep its appointment with destiny and at long last cease to be the hesitant and uncertain fatherland that used to pain Francisco Morazan so deeply. [cheers]

That is the reason for the great national agreement I proposed as a candidate and that I begin to promote today as the president of all Hondurans. [cheers, applause] Being a Liberal is a way, my own way of loving Honduras, but there are other ways to love it. There is the Nationalist way, and there are other ways of expressing the same love for the fatherland. Let us work together, said a wiseman in ancient China on the threshold of the first millenium. A people that remains together for year will be strong for five years. A people that remains together for five years will be strong for a century. But a people that remains united for a century will be strong forever! That is the new Honduras I am proposing in this solemn ceremony. [applause]

Honduran brothers, let us begin now, with God as our witness. Let us begin! Good health to you, Honduran brothers. Good health to you, visitors to Honduras. [applause]

President-Elect Presents 7 Members of Cabinet

PA2701173094 Tegucigalpa LA TRIBUNA in Spanish 25 Jan 94 p 6

[Report by J.C.]

[Text] Although a code of ethics, which every member of the next government will be asked to sign, has not yet been drafted, President-elect Carlos Roberto Reina announced the names of his cabinet members yesterday and confirmed that two ministries will be occupied by members of the National Party of Honduras [PNH].

It became clear that the new public administration is willing to implement a moral revolution and that crimes will not go unpunished, and thus, many people could be investigated after the current government completes its term.

President Reina presented seven ministers in the company of National Congress President Carlos Flores, former President Jose Azcona, and banker Jorge Bueso Arias.

The new cabinet consists of Efrain Moncada Silvia, government and justice minister; General Reynaldo Andino Flores, national defense and public security minister; Cecilio Zavala Mendez, labor and social welfare minister; Zenobia Rodas de Leon Gomez, public education minister; German Aparicio, communications and public works minister; and Rodolfo Pastor Fasquelle, culture and tourism minister. Reina announced that PNH member Carlos Medina, minister of the recently created Environment Ministry, will stay in that post.

The president also announced the following will serve as ministers without portfolio: Guillermo Bueso as coordinator of the economic cabinet; Dante Ramirez as coordinator of Central American integration issues; and Jorge Bueso Arias as coordinator of advisory issues.

To complete his team, Reina confirmed the following nominees: Ernesto Paz Aguilar, foreign minister; Delmer Urbizo Panting, economy and commerce minister; Juan Ferrera, finance and public credit minister; Guillermo Molina Chocano, coordination, budget, and planning (Secplan) minister; Enrique Samayoa, public health minister; and Ramon Villeda Bermudez, natural resources minister.

As for the decentralized institutions, he only presented Ubodoro Arriaga Ireheta, Hugo Noe Pino, who was ratified as president of the Central Bank of Honduras (BCH), and Lucio Izaguirre, as his private secretary. [sentence as published]

The Day Is Not Far Away

Reina said he fulfilled his promise to establish an integration government by appointing Juan Ferrera as finance minister and Carlos Medina as environment minister. The two are PNH members.

When asked about the nomination of Andino Flores as defense minister, the president said that in the future a civilian will occupy that post, "and I have already discussed this with the Army High Command, which will soon be under my leadership as commander of the Armed Forces."

"The day is not far away for the appointment of a civilian in that post," Reina said.

Two days before his installation, the president said other positions at decentralized institutions will be announced in due time.

Reina also explained that later on he will be providing details concerning the press minister and that there will be no presidency minister. These are the only two ministries that have not been presented. He explained that his brother, Mario Reina Idiaquez, will be in the Presidency Office, but he will not bear the title of presidency minister.

Reina said upon return from the United States that he has tried to spread the idea that America and the world are headed for a convergence and that the most important issue at the turn of the century will be the agenda shared throughout the continent by democrats.

Reina stressed the "huge responsibility" of fulfilling the campaign promise of a moral revolution, which will be faced by himself and the people who will join him in the new government.

Reina explained during a news conference that as president-elect, as the head of the Central Executive Council [Consejo Central Ejecutivo] and as a citizen, he had suggested the names of possible Supreme Court justices to the deputies, whose duty it is to elect that body.

Although he made it clear that he knows the deputies alone have the final word, he said: "I urge my friends to support these candidates. I presented the names to them at a meeting, and I cannot disclose them, because I do not want any interference regarding the respect the executive branch should maintain for the legislative and judicial branches."

"What I would never tolerate is a Supreme Court that does not meet the requirements for a moral revolution. I would never tolerate that," he said.

Concerning economic measures, Reina said he will stick to his decision against additional taxes, which, he said, is a decision only he can make and which must not be based on suggestions or outside pressures from anyone. Thus, he expects to maintain safe and sound his desire to carry out a moral revolution.

Reina confirmed that one of the problems with which his government must deal is the fact that the international organizations have declared the country ineligible for loans, but Hondurans "will face these difficulties united, with a united party and a united people."

Although flattering figures have been mentioned during Rafael Leonardo Callejas' government, Reina said "surprising figures are gradually emerging, but I have entrusted the economic cabinet to the best people I could find, and it is up to them and to all of us to deal with the crisis."

One of Reina's strongest campaign promises was the guarantee that he would combat corruption, which he said "would not be easy." In view of this, he has asked every Honduran to get a full understanding of the Ethics Code which will be published, "because if these challenges are not met, it will be impossible to help the people."

Reina added that he invited the former presidential precandidates to yesterday's meeting so that they could express their views regarding the resolution, although that is the president's duty.

Asked why he only appointed one woman to a key position, Reina said women will be appointed to other important posts and that proof of this is that there are many female mayors, although there will be no battle between the sexes.

A cabinet is not for four years, Reina said, and women may be appointed if any of the current nominees fail; therefore, there is not a shred of prejudice in the appointments.

Callejas Addresses National Congress

PA2701155694 Tegucigalpa Voz de Honduras Network in Spanish 1707 GMT 25 Jan 94

[Speech by Honduran President Rafael Leonardo Callejas at the National Congress for the inauguration of the congressional period on 25 January—live]

[Text] Engineer Carlos Roberto Flores Facusse, honorable president of the National Congress of the Republic; Orlando Rosendo Lozano Martinez, honorable president of the Supreme Court of Justice; General Luis Alonso Discua Elvir, commander in chief of the Armed Forces of Honduras; Messrs. magistrates of the Supreme Court of Justice; ministers of State; presidential designates; Your Excellencies members of the Diplomatic Corps; Messrs. presidents, managers, and directors of autonomous institutions; honorable members of the Board of Directors of the sovereign National Congress; ladies and gentlemen; beloved countrymen:

Allow me to first state my most sincere congratulations to the women of Honduras, and especially those who are part of this legislative assembly today. [applause]

I come before this august hall for the last time, in accordance with the precepts established in the Constitution of the Republic, before the honorable representation of the people in my condition as constitutional president to render my report on my activities as ruler of Honduras.

In the next few hours, I will relinquish power over the nation to my legitimate successor, who was chosen by the people through the democratic system, which Hondurans have respected since 1980—free suffrage, whereby the will is reflected as the sovereign expression of the people.

As ruler, as an Honduran, I am pleased to hand over the power in a peaceful and tranquil atmosphere, which is the result of a harmonic policy we applied on all the national sectors, seeking concerted agreements to all the national problems to find the proper solutions which would allow us to create plans that would prove to be consequent with the Honduran reality.

Recently, in a ceremony in my honor, hosted by the previous assembly—and I again acknowledge Rodolfo Irias Navas, former president of the Congress of the Republic—I said: Ruling is not an easy task. Managing public businesses can be difficult as is satisfying the people's different aspirations because the nation's resources are not sufficient to fulfill everyone's desires, thereby making it necessary to establish priorities that serve as a framework to attain, mid- or long-term, the objectives aimed at benefiting the people.

In the government report I will give to the secretariat of the sovereign National Congress, you honorable deputies will find details of the work undertaken during the first trimester of 1990 and their effects, which really interest us as they contribute to the national development in all of its aspects.

I am pleased, and I say it honestly, to have placed Honduras on the promising path to a free economy, freeing us from the chains of paternalism and protectionism that hindered Hondurans' creativity, overburdened the State, and paralyzed particular initiatives for production and competition.

It was also an honor for my government to have made gigantic steps in modernizing the highway system, technology, expanding telecommunications, and making accessible the extraordinary world of computers to our children. They are now available in the schoolrooms of our beloved Honduras.

I can say with deep emotion and pride that I have laid a groundwork for the future, when new leaders and generations will expand on our efforts regarding environmental protection, human rights, which are respected now more than during any other time in our history, and Honduras' reconciliation through ideological tolerance, which we have established, and the initiatives that we have sponsored with the determination to deal seriously with corruption.

In the field of education, which I want to emphasize, we have built a number of primary school classrooms throughout the country. This reveals my government's firm support for education, because we have built schools for thousands of children who lacked school facilities in their communities; in addition, thousands of desks were donated through the Honduran Social Investment Fund. These desks have alleviated the discomfort of the many young Hondurans who had to sit on the floor. On handing over the administration, I can say that no child will have to be ashamed and sit on the hard floor. Our determination to stimulate education in Honduras is indicated by our help in refurbishing primary and secondary schools and constructing new centers, particularly trade schools, which give thousands of young people an opportunity to learn working skills to the benefit of the area in which they live.

In the health sector, hospitals were repaired, and hundreds of health centers were built during my administration. They were equipped with everything necessary to serve the people. In many instances, semidilapidated buildings were all that remained of previous administrations. People often despaired of never having an adequate place to which to go for treatment of their most pressing health needs. An organized health sector work structure will be handed over to the new government, which will assume office on 27 January. Diseases which have ravaged the child population were put under control. We have tackled the terrible cholera with determination via prevention drives, the speeding up of construction of latrines, and by making the people aware of the need to take sanitary measures to defeat the epidemics that crossed our border to obliterate the lives of hundreds of Hondurans.

In the social area we have sympathized with sectors that for a long time have been relegated or excluded as the result of neglect. For this reason, we have established a bonus for unwed mothers, an economic aid instrument to help them take care of the basic problems of their children, children whose extreme poverty has barred access to food and education. In addition, school bags and footwear were given out to the children of many schools in municipalities, villages, and hamlets via the family assistance program. My administration's relationship with rural and urban workers has been consistent with a policy of understanding, within the patriotic purpose of maintaining a climate of harmony, which translates into national well-being.

Fellow countrymen, ladies and gentlemen, deputies, before I hand over the presidential office, I would like to express my deep satisfaction over the fact that, with the cooperation of worthy and distinguished Hondurans and well-known international jurists, it fell on me to end the old territorial dispute with our neighbor, El Salvador. The century-old controversy, which weighed down on the two countries like a dissociating factor of the regional peace, ended with a fair ruling, which confirmed our sovereign rights on the sacred national territory. I will keep this achievement, which we Hondurans share proudly, as a reminder of what we can do when we join forces. At all times, and regardless of political inclinations, we contributed as Hondurans to a common cause, which in time had alienated us from the unionist principles envisioned by the immortal hero of La Trinidad.

Ladies and gentlemen, deputies, today, during my last official intervention as Honduran president and in the presence of a new Congress elected by the people, I would like to recognize the entire nation, because we have demonstrated again our people's political maturity and deep-rooted reliance on democracy. I am leaving my performance as president printed on history's pages so that what I wanted to do for my homeland can be assessed in the future. To point out achievements or mistakes should not be the part of sectarian inclinations, rather, of a position that will make it possible to review in the future what we did to reinforce Honduras preserving its name and prestige as a result of our democratic training.

History is wise, because when Marco Aurelio Soto decided to reform Honduras, the critics of his time shot poisoned arrows at his honorable person, not realizing that those changes would allow us to begin a new century of hope. Such was the case of late illustrious President Juan Manuel Galvez who founded the national banking system, modernized education, allowed all Hondurans to participate in the matters of state, and spoke on behalf of free expression in every possible way. History was also late in recognizing the social contribution of Jose Ramon Villeda Morales, another illustrious Honduran who [applause] as president gave the people social security, labor law, and land reform.

Deputies, with devotion for Honduras I would like to say that, in setting aside by political feelings, I feel proud to reach such a significant moment in my public life, when I can pass on the presidential sash in an atmosphere of peace and harmony to the citizen who captured the people's approval, Mr. Carlos Roberto Reina. [applause]

Honorable representatives of the people, my mission as the leader of Honduras' destiny is about to conclude. I encourage you to make a united supreme effort, from your high posts, as vested upon you by the people and only by the people, to continue living in democracy, maintaining the highest national interest first and foremost. I thank you one and all, and I especially thank the Honduran people for the highest honor ever granted to my family, my wife Norma, and myself, of serving this beloved country, Honduras. Thank you.

Nicaragua

Transportation Unions Threaten to 'Paralyze All Traffic'

PA2801013894 Mexico City NOTIMEX in Spanish 2204 GMT 27 Jan 94

[Text] Managua, 27 Jan (NOTIMEX)—The Nicaraguan Government today deemed it has concluded all negotiations with transportation organizations on the topic of

fuel prices—the main reason behind a strike that has halted nearly all passenger and freight service.

Meanwhile, five of these organizations issued an ultimatum that negotiations should resume today by 1800 local (1200 GMT) [times as received] after the dialogue reached an impasse on Wednesday night.

In a communique, the organizations called on their "allied forces" in seaports and at the international airport in this capital to join the strike to support the protest staged by members of the transportation sector over the past four days.

The Federation of Nicaraguan Passenger Carriers (Fetracolnic), the Federation of Nicaraguan Cargo Carriers (Fetracanic), the Nicaraguan Transportation Council, the National Transportation Commission (CNT), and the National Transportation Association (Anatra) signed the communique. The communique, which was read by a transportation sector leader over a local radio station, warned the transportation unions would paralyze all traffic nationwide, as well as international freight transportation, if a satisfactory agreement is not reached tonight.

Meanwhile, Presidency Minister Antonio Lacayo reiterated the government's decision to continue talking with all groups on strike. The official ruled out a bilateral meeting with the CNT, the organization that promoted the strike which began at 0000 local on 24 January.

"We will meet with everyone, not just with one group," Lacayo said in a meeting with journalists in front of the National Assembly building.

The members of the transportation sector called on the Catholic Church to ask the Nicaraguan Government to lay aside its "hard-line" position on fuel prices in an effort to resolve the costly crisis.

Construction and Transportation Minister Pablo Vigil, in statements to LA PRENSA newspaper, ruled out the possibility of negotiating fuel prices after the government released a communique on Tuesday night, in which it announced the freezing of gasoline prices, a slight decrease in diesel prices, and a subsidy for the freight and passenger transportation sector. Nevertheless, this moved failed to meet the strikers' demands.

In related news, the National Police have released 61 of 277 people who were arrested on Wednesday and Thursday during operations conducted along the Northern Highway and in Ciudad Sandino in Managua, according to CNT sources.

Government Schedules Meetings With Transportation Sectors

PA2801015694 Managua Radio Nicaragua Network in Spanish 0108 GMT 28 Jan 94

[Government communique on the national transporation strike issued in Managua on 27 January—read by announcer]

[Text] The government of the Republic of Nicaragua, motivated by its goal of finding a satisfactory means to settle the transportation problem and of organizing a multilateral meeting with all organizations of the transportation sector, believes it is important to hold individual bilateral meetings with each organization involved as soon as possible. Therefore, it invites all such organizations to meet with the government based on the following schedule:

The Nicaraguan Chamber of Transportation, Canitran, on 27 January at 1500; the Federation of Nicaraguan Passenger Carriers, Fetracolnic, on 27 January at 1800; the National Transportation Commission on 28 January at 0900; the National Transportation Association, Anatra, on 28 January at 1400; the National Chamber of Transportation on 28 January at 1600; and the Federation of Nicaraguan Cargo Carriers, Fetracanic, on 28 January at 1800.

[Issued] Managua, 27 February 1994

Transportation Groups Meet With Negotiating Commission

PA2801041494 Managua Radio Nicaragua Network in Spanish 0317 GMT 28 Jan 94

[Nicaraguan press release issued by the Information and Press Directorate of the Presidency in Managua on 27 January—read by announcer]

[Text] The Information and Press Directorate of the Presidency informs citizens that the organizations, Canitran [Nicaraguan Chamber of Transportation], Fetracanic [Federation of Nicaraguan Cargo Carriers], Anatra [National Transportation Association], National Chamber of Transportation, and Fetracolnic [Federation of Nicaraguan Passenger Carriers], heeding a government summons, met with the negotiating commission at the Presidency at 2100.

A meeting is scheduled with the National Transportation Commission for 0900 tomorrow. Government officials present at tonight's meeting were the finance, construction and transportation, economy and development, and labor ministers.

The Government Ministry reports that transportation sector activities are increasing and the complete normalization of the sector is expected for tomorrow.

[Issued] Managua, 27 January 1994

Government Minister Confirms Arrests During Disturbances

PA2701172994 Managua Radio Nicaragua Network in Spanish 1100 GMT 27 Jan 94

[From the "This Morning" newscast]

[Text] Government Minister Alfredo Mendieta Artola has confirmed that during the disturbances early 26

January on the northern highway and in other areas of the capital, 206 people, who will be placed under the disposal of common courts, were arrested for disrupting public order and committing other crimes as identified in the current Penal Code. He also said several minors who were arrested as they attempted to remove cobblestones from the streets were released later.

Mendieta Artola has explained that no disturbances will be tolerated, adding that police authorities will act in accordance with the law.

[Begin recording] [Mendieta] The National Police has sustained some attacks. Later, a cleanup operation during the predawn hours of 26 January, starting at 0500, resulted in 220 people being arrested; of these, we have released those who are minors and we are still holding 206 individuals in prison, individuals who have been placed under the disposal of authorities; they are now being processed by authorities.

In this regard, the gentlemen of the National Transportation Commission [CNT] have called for a meeting to discuss the release of these people. We have met with CNT representatives and they demanded the release of these people, but they did not make any commitments that would permit us to guarantee the fact that these people may indeed be waging a civic and peaceful strike.

We noted the need for CNT representatives and the Government Ministry to sign a commitment ensuring they would only conduct peaceful actions. This was not possible, because they refused to sign this document. Later, when we learned of the National Assembly document, we discussed it with CNT representatives and explained that the solution to the transportation problem lied, as the National Assembly Manifesto stated, in the possibility of meeting with all transportation sectors.

In this regard, we also noted the need for the CNT leaders to display a more serious attitude, because they have given false statements to the media. The statements by CNT representatives are aimed at promoting an atmosphere of violence at this time.

[Unidentified reporter] What is the juridical and legal situation of the 200 people who were arrested? Are they all members of the transportation sector?

[Mendieta] Yes. Those who were arrested have violated constitutional articles, particularly Article 31, which establishes the right of all Nicaraguans to transit freely throughout the nation. They have also violated Article 325 of the Penal Code, which says that those individuals who damage or destroy communication roadways and who may endanger the security of transportation vehicles commit an offense. They have also violated Article 346 of the Penal Code, which establishes that those who attack authorities are subject to imprisonment ranging from one to three years. [end recording]

Panama

Endara, Gaviria Discuss Bilateral Relations

PA2701233594 Panama City Circuito RPC Television in Spanish 2300 GMT 26 Jan 94

[Report by Ciro Ortega; from the "RPC Television News" newscast]

[Text] The focus of conversations held this afternoon between the Colombian and Panamanian presidents was bilateral ties.

Today, Colombian President Cesar Gaviria made a technical stopover at the National Air Service terminal in Tocumen, during which he met with his Panamanian counterpart Guillermo Endara. Cesar Gaviria declared his meeting with Endara at the airport had nothing to do with his possible participation in the bid for the post of OAS secretary general, nor was it intended to pressure the Endara government to support him.

[Begin Gaviria recording] We are working on all fronts. We want to have better control of our borders, but we are also working on commercial aspects. The Grancolombiana Merchant Fleet is working on an interesting project to begin ferry transportation on a daily basis between Cartagena, Colon, and Panama City. This is a very interesting project that for the time being will resolve the Darien gap problem and will allow us to have permanent transit not only between Panama and Colombia, but also between Central and South America. [end recording]

Gaviria stressed he came to strengthen bilateral ties. He then left the National Air Service terminal in Tocumen to attend the inauguration of new Honduran President Carlos Roberto Reina.

Meanwhile, Panamanian President Guillermo Endara called his brief meeting with Gaviria as positive. He also explained that his decision to not attend the inauguration of the new president of Honduras was because he prefers to stay in the country to think about possible changes he will make in his government cabinet.

Bolivia

Brazilian Foreign Minister Visits, Signs Agreement

PY2801145294 La Paz Television Nacional Network in Spanish 0100 GMT 28 Jan 94

[Text] Bolivia and Brazil today signed a new bilateral agreement. Brazilian Foreign Minister Celso Amorim arrived in our country to sign it.

It should be recalled that Bolivia and Brazil signed a partial agreement in 1983. The new agreement not only grants preferential tariffs—which involve reduced taxes on imports—but also provides for business cooperation and the exchange of commercial information.

[Begin Bolivian Foreign Minister Antonio Aranibar recording] It proves the fruitful talks and exchange of viewpoints that we maintained during an active day with Foreign Minister Amorim. [end recording]

There are two very important points in the joint communique. For example, Bolivia and Brazil reaffirmed their predisposition to make efforts so that the agreements between Mercosur [Common Market of the South] countries and Bolivia—aiming at allowing Bolivia's full participation—will be given priority within the regional process.

As for Bolivian-Brazilian integration in the energy field, the two ministers reiterated the importance and priority that the governments of Brazil and Bolivia have attached to the natural gas purchase contract signed by Petrobras [Brazilian Petroleum Corporation] and Bolivian Government Oil Deposits.

[Begin Amorim recording] At this meeting I obviously could not discuss technical details because this must be done by the Petrobras people. But I believe the important thing is the political reaffirmation of our determination to develop this project, which is important for Bolivia and also very important for Brazil. [end recording]

This was the conclusion of the official visit paid by Brazilian Foreign Minister Celso Amorim, who thanked Bolivian Foreign Minister Antonio Aranibar for the expressions of appreciation and friendship extended to him.

Roundup of Economic Reports Through 27 Jan

PY2701150994

[Editorial Report] The following is a compilation of reports on economic activities monitored through 27 January. Source is listed in parentheses following each item:

Finance Minister Fernando Illanes signed a loan agreement for 32 million German marks—$18.6 million—with the German Government. The funds will be used to supply electricity to Larecaja Province and La Paz Department and potable water to Oruro Department. (La Paz LA RAZON in Spanish 31 Dec 93 p B2)

Fedor Perez, deputy director general of the General Customs Directorate, DGA, reported that the DGA collected 946 million bolivianos in 1993, a 17.9 percent increase compared with 1993. But he said this was less than national budget estimates due to international agreements signed with Colombia, Ecuador, Venezuela, Peru, Argentina, and Chile that provide for the reduction or exemption of tariffs. (La Paz LA RAZON in Spanish 11 Jan 94 p B5)

* Minister Views Government Strategy, Drug Policy

* Opposition; 1997 Elections

94SM0187A Cochabamba LOS TIEMPOS in Spanish 26 Dec 94 p 4

[Report on interview with Minister of Government German Quiroga Gomez during a working breakfast with the editors of LOS TIEMPOS in La Paz; date not given]

[Text] La Paz, 25 December (LOS TIEMPOS)—As the next general elections of 1997 approach, the Bolivian political situation shows no sign of political opponents with anywhere near the influence of the present government led by the Nationalist Revolutionary Movement (MNR). Above all, this situation is due to the fact that the opposition parties are fragmented and apparently have removed themselves to the sidelines of the process of change in which the whole country is involved.

These comments were made by Dr. German Quiroga Gomez, the minister of government, in an extended conversation which he had with the editors of LOS TIEMPOS during a working breakfast held in La Paz. In the course of the conversation the minister made several statements about the political panorama reflected in the present situation. On this basis he made several predictions about the prospects for the 1997 general elections, which will be held at the end of the constitutional term that began in August 1993.

Quiroga flatly denied that his party has any pretensions to long-term dominance in the exercise and projection of political power which the MNR now holds. He rejected accusations of that kind which are often made by opposition groups. He stated that the time for long term political dominance by a single party has passed and cannot be repeated, due to the political progress which the democratic process has made in the national community.

In that framework the minister of government pointed out that to keep democracy healthy and to make it possible to continue with the political and institutional development of the country, the country needs to have a strong, capable, and well-organized opposition with which it will be possible to reach effective, cooperative agreements. At the same time such an opposition will

assure organized society of an effective role in checking on the performance of government bodies.

In that sense Quiroga stated that the government of President Sanchez de Lozada has observed with concern how the opposition parties, principally consisting of the Nationalist Democratic Action Party (ADN) and the MIR [Movement of the Revolutionary Left], presently appear to have "lost their way" in terms of their political position. They even appear to be markedly disorganized internally. In his view these are aspects which cannot in any way be considered positive developments for the development of the democratic system in the country.

Minister Quiroga said: "The conduct of the leaders of the ADN and the MIR, since Hugo Banzer Suarez and Jaime Paz Zamora, their respective leaders, abandoned them, following the last municipal elections, makes them look like the 'tail end' of the CONDEPA [Conscience of the Fatherland party]. This is only a regional party, without any significance at the national level. It is not in a position, nor is it able to play the role of leader of the opposition."

He noted that, in this situation, the government coalition, with the MNR as its central axis, has gained control of 65 percent of the municipal councils in the country following the most recent local elections. This shows that the alliance established in August 1993, with each one of its components retaining its own, ideological position and participating separately in the election campaign, has good prospects for continuing to control the national administration even beyond 1997.

* Anticorruption Office

94SM0187B Cochabamba LOS TIEMPOS in Spanish 26 Dec 93 p 4

[Article by Eddy de la Quintana]

[Text] La Paz, 25 December (LOS TIEMPOS)—After the next administration assumes office, the Ministry of Government, in its program for acting as the principal, organizational mechanism between the Executive Branch of the government and civil society, will include within it an office charged with handling investigations of various complaints against corruption made throughout the country.

The announcement was made by Dr. German Quiroga Gomez, minister of government, in an exclusive interview with LOS TIEMPOS in La Paz. He said that the new role to be played by the new Ministry of Government (formerly the Ministry of the Interior) is essentially aimed at ensuring the effective and continuing defense of society as a whole.

In that sense he pointed out that the struggle against corruption is now of fundamental importance, not only for the government but for the Bolivian people as a whole. For this reason it has been decided to take appropriate action, in an organized and systematic way, to fight more effectively against this endemic evil of society.

Quiroga stated that the Ministry of Government will provide this new, anticorruption office with the whole structure and resources of the state intelligence and security organizations to undertake investigations of corruption in the different departments of government and in other areas of national life.

For this purpose he indicated that letter boxes will be set up in the most heavily populated places in the principal cities of the country so that citizens can deposit their complaints about corrupt actions. These complaints should contain basic information which might assist investigations and could make suggestions which would contribute to the success of this effort.

The minister explained that the anticorruption office will not in any way be turned into an organization dedicated to "witch hunts or a search for ghosts." He said that the work to be done will use advanced methods of investigation and will be handled in a responsible and serious way, so that it will generate confidence and credibility in the eyes of public opinion.

He stated that the work to be undertaken by this office will be essentially investigative in character. Once the appropriate investigations are completed and concrete evidence is available on clearly criminal cases of corruption, the evidence will be turned over to the appropriate courts for action in coordination with the Ministry of Justice.

* 'Popular Participation' Plan

94SM0187C Cochabamba LOS TIEMPOS in Spanish 26 Dec 93 p 5

[Text] La Paz, 25 December (LOS TIEMPOS)—Another matter mentioned by Minister German Quiroga in the interview obtained by LOS TIEMPOS in La Paz was referred to in the forecast made in the program of "Popular Participation" which the government plans to implement during the next administration.

In this respect he pointed out that the democratic process reestablished in Bolivia in 1982, following a long period of military governments which came to power in successive coups d'etat, created an imperious need, which could not be postponed, for setting up new means of effectively channeling the will of the people at policy-making levels and in the institutional processes of leadership of the country.

The minister of government said that this objective of converting the present, democratic and representative system into a new, participative and dynamic system aimed at the basic institutions of Bolivian society should be clearly expressed in the first place in the structure of municipal governments and then in the forms of representation in Parliament, through the election of deputies

on separate lists, as projected in the Law on the Need for Reform of the Political Constitution of the State.

He said that the recently promulgated Law on Majorities and Minorities as a standard for municipal elections has the same objective. In that way the rights of citizens will be legally guaranteed in the future, not only to vote but also to choose, preventing the possibility that their views, expressed through the ballot box, could be subject to later political negotiations, as has happened up to now.

He noted that this plan for participation by the people, which has been formulated as a fundamental part of the program of government proposed to the country by the MNR [Nationalist Revolutionary Movement], seeks to establish a system of political participation which "goes beyond the political parties." As a result, he repeated, "It would be madness to say that we are allegedly trying to set up a program for long-term control of the government, as some opposition groups charge."

* Ministry's Role Evaluated

94SM0187D Cochabamba LOS TIEMPOS in Spanish 26 Dec 93 p 5

[Text] La Paz, 25 December (LOS TIEMPOS)—Minister of Government German Quiroga has stated that the performance of his ministry during the period up to 31 December has been positive. He pointed out that this office, which in the past was marked by its essentially repressive role, has been turned into an instrument through which cooperation is sought and promoted and which plays an important role in reaching viable solutions for the social conflicts which arise in the country.

He indicated that in political terms Bolivia has made progress of great significance, which has been recognized by the international community as a whole. He stated that the development of the political and democratic process in the country during the past 10 years has definitively left behind it the ups and downs of the military coups d'etat which characterized Bolivia in the past.

In the social field he emphasized that the Ministry of the Interior, initially, and the Ministry of Government, more recently, played a preponderant role in the solution of a series of social conflicts which came up in the country. This was done through negotiations and agreements reached with the Bolivian Labor Federation, as well as with organizations representing peasant farmers, particularly those which represented the producers of coca leaves.

At the same time he said that effective results have been achieved in the difficult and continuing struggle being carried out against narcotics trafficking. He indicated that the most important achievements in this regard included breaking up gangs of drug traffickers. He mentioned the cases of Wilson Ferrufino, who had resources of more than $4.0 million in Cochabamba, and later on that of "Nando" Gutierrez, whose property in Santa Cruz was evaluated as being worth more than $3.0 million. Their principal subordinates are under arrest and face trial. In the institutional sense he pointed out that the Ministry of Government is involved in the changes taking place on the basis of the restructuring approved by the executive branch. These changes are fundamentally directed toward the reorganization of the judicial system, in accordance with the objectives set forth in the political agreements signed on 9 July 1992 during the previous administration.

The Good, the Bad, and the Ugly

In the evaluation made by Minister Quiroga of his actions in the Ministry of Government since 6 August 1993 he underlined the following, significant aspects:

The good was that he has undertaken an important process of institutional change in the Bolivian Police to turn it into a highly effective organization able to inspire confidence and to provide security in society as a whole.

The bad was that he was not able to set out in concrete form the objectives proposed for 1993, particularly regarding the order issued by the Supreme Court of Justice for the capture of criminals against whom sentences have already been handed down. This is the situation regarding Luis Garcia Meza, the former dictator who continues to be a fugitive from justice.

The ugly was that he has personally become involved in "the worst job" in the cabinet, holding a ministerial portfolio which is a "shock absorber" for all of the conflicts which come up in this country and is almost always the first to receive bad news.

* Views 'Zero Option'

94SM0187E Cochabamba LOS TIEMPOS in Spanish 26 Dec 93 p 4

[Text] La Paz, 25 December (LOS TIEMPOS)—In his interview with LOS TIEMPOS Quiroga explained that the new strategy which was presented for the consideration of the international community in Washington seeks to consolidate two things. First, balancing alternative development with drug interdiction. Secondly, beginning in 1994, implementing the "zero option," that is, eliminating root and branch all "excess" plantings of coca leaves.

He said: "What we did during this first phase of the meeting of the Consultative Group of the World Bank for Bolivia was to ask for resources to study the feasibility or lack of it of this alternative."

In referring to the so-called "zero option" the minister indicated that this alternative has the objectives of completely eliminating excess plantings of coca leaves, seeking to industrialize the production areas, and promoting true centers of social and economic development in the Chapare and Yungas areas. Furthermore, it has

the objective of providing an opportunity to productive peasant farmers "to choose the best alternative which suits their interests."

He pointed out: "We brought this kind of proposal to the international community and we are only waiting for an answer, which we consider will be positive, to begin studying the ways and means which could be used for the proper functioning of this strategy for the integrated development of the Chapare and Yungas areas."

According to Minister Quiroga, the total cost of the "zero option" will be about $1.2 billion. It has been provisionally estimated that its implementation, which is not a short- or medium-term matter, will take six years after the program is approved.

He said: "The first stage will cover studies for project implementation, which will require the expenditure of $100 million to complete. The second phase is closely related to practical implementation of the program in the producing areas, with investments in the order of $900 million."

He noted: "This new proposal was developed to deal with inconsistencies in alternative development programs in the Chapare area of the Department of Cochabamba and the meager, positive results from their implementation five years ago."

As an example of the defects in these past programs he pointed out that in the Ivigarzama area a considerable number of plantings of coca leaves was eliminated. However, the programs and strategies of alternative development were not even "30 percent implemented."

* U.S. Cooperation

94SM0187F Cochabamba LOS TIEMPOS in Spanish 26 Dec 93 p 4

[Article by Edwin Miranda V.; first paragraph is editorial introduction]

[Text] La Paz 25 December (LOS TIEMPOS)—The Clinton administration has promised to provide $180 million in 1994 for programs for the fight against narcotics trafficking in Bolivia.

Bolivia will be the only South American country which will not have significant reductions in the aid which it receives in the form of financial cooperation with the United States Government in the struggle against narcotics trafficking. This was officially announced by Minister of Government German Quiroga Gomez.

In the course of the exclusive interview he granted to the editors of LOS TIEMPOS in La Paz Quiroga stated that in the framework of "uninterrupted North American aid" Bolivia expects to receive about $180 million in 1994. These will be new resources earmarked for providing support for the struggle against drug trafficking, as well as for undertaking alternative development strategies through an effective program of substituting other crops for coca leaf production by peasant farmers. This assistance will be based on "promises made by the administration of President Bill Clinton to Bolivia during the visit by President Gonzalo Sanchez de Lozada to New York on 28 September, during the most recent meeting of the United Nations General Assembly."

Growing External Aid

According to the explanation provided, North American aid in the field of fighting against illicit drug trafficking is directed at the interdiction of the traffic, alternative development, crop eradication, and the implementation of integral development projects in the Chapare and Yungas areas, where coca leaves have been traditionally produced.

Quiroga said: "Bolivia has signed financial and technical cooperation agreements with the United States since 1990." At the same time he pointed out that North American financial cooperation is closely related to the help which it provides to the Bolivian balance of payments. He added: "For this purpose it has been spending between $40 and $60 million annually." However, at the same time he made clear that this significant amount of help has been conditioned on the eradication of a certain number of hectares of fields in the Chapare and Yungas areas which were planted to coca leaves.

On this point he emphasized that it is possible that in 1994 the total amount of aid for this purpose "will decline because of the fact that Bolivia, as of this date, has not eradicated the number of hectares planted to coca leaves which it promised to complete by December 1993."

The second type of United States cooperation is related to the Ibta-Chapare Project, which essentially is aimed at the industrialization of a large part of the tropical area of the Department of Cochabamba. Quiroga explained that this technical aid is aimed at promoting alternatives, in terms of products and crops, in areas producing coca leaves.

New Projects

During the meeting of the Consultative Group of the World Bank which took place a short time ago in Washington, Bolivia proposed to the international financial community the possibility of approving "greater economic support and better programs for the promotion of products other than coca leaves." Alternative development plans of this kind are presently being carried out in areas where coca leaves have traditionally been planted.

According to the minister of government, the Bolivian committee which visited Washington and was led by the minister of finance and economic development presented for the consideration of the international financial community a new proposal for alternative development for the areas which have traditionally produced coca leaves.

Brazil

Maluf Conditions Support for Magalhaes Candidacy

PY2801011794 Rio de Janeiro O GLOBO in Portuguese 26 Jan 94 p 3

[Text] Sao Paulo—Sao Paulo Mayor Paulo Maluf said yesterday that he might support Bahia Governor Antonio Carlos Magalhaes' presidential candidacy, but only after advising that he himself had not yet given up on his own candidacy. Maluf imposed a condition for his possible support for the governor's candidacy: that it result from a consensus between parties like Magalhaes' PFL [Liberal Front Party], Maluf's PPR [Progressive Renewal Party], and some other ticket.

He said: "Governor Antonio Carlos is a good candidate. I could support him if he were the consensus candidate for the PFL, the PPR, and the PP [Popular Party]. I am not a candidate myself, but I have not renounced my candidacy."

In his opinion the main point is that the candidate for president should be chosen by an alliance of several parties. Maluf disclosed that for more than 3 months he has been talking with leaders of several parties in an attempt to build such a union. In addition to his own candidacy and to that of the Bahia governor, Maluf includes the following leaders in the list of possible PFL presidential candidates: ex-Minister Jorge Bornhausen, Pernambuco Senator Marco Maciel, his fellow party member and Para Senator Jarbas Passarinho, and PP President Alvaro Dias.

He said: "If we can make a consensus decision in March, why should we make it in February? In politics, agreements are announced only after they have been reached."

Maluf said he liked the idea of PMDB [Brazilian Democratic Movement Party] Senator for Rio Grande do Sul Pedro Simon, the government leader in the Senate, making an alliance between the PMDB, PSDB [Brazilian Social Democracy Party], PDT [Democratic Labor Party], and PTB [Brazilian Labor Party]. He disagrees, however, that the objective of the coalition should be to find a candidate to oppose the candidacy of PT [Workers Party] President Luis Inacio Lula da Silva.

"It should be an alliance for Brazil," he said.

As he usually does, however, Maluf did not lose the opportunity to criticize Lula. He reiterated that the PT candidate does not have enough experience to govern the country, noting that he, Maluf, "would not vote even for his own brother if he were to be a beginner at Planalto Palace."

Maluf did not spare criticism of Itamar Franco, either, saying that the president "has neither a liking for nor devotion to power," while complaining about the government's delay in designating the new cabinet:

"We have been without a government for 60 days and, worst of all, no one has realized this."

Maluf charged Itamar Franco with having no political will to enforce an economic plan that can curb inflation. He said the fiscal adjustment proposed by the government is not sufficient for reducing the cost of living, and that the government must cut spending.

"Finance Minister Fernando Henrique Cardoso's main adversary is the government itself," he said.

PMDB, PSDB To Sponsor Separate Presidential Candidates

PY2701234394 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 27 Jan 94

[Text] The PMDB [Brazilian Democratic Movement Party] and the PSDB [Brazilian Social Democracy Party] will vote together on the constitutional reform, but will sponsor separate presidential candidates.

In Brasilia today, the executive boards of the two parties held separate meetings.

The PMDB will adopt a single position for the vote on the constitutional reform. The decision was made by the party executive board. Party positions will be studied on a weekly basis.

As for the presidential succession, the majority believes there should be an internal survey to choose a candidate. The new party program will be submitted to the national party convention in March.

Deputy Luiz Henrique, the PMDB president, will lead the drive for unity within the party and for future alliances. He began by talking with members of the PSDB, whose executive board also met in Brasilia today.

The two parties consider it possible to form an alliance as early as in the first electoral round, will continue to negotiate, but will not give up the designation of their own candidates for president.

[Begin PSDB President Tasso Jereissati recording] During a national party congress, the PSDB decided to run its own presidential candidate. [end recording]

[Begin PMDB President Luiz Henrique recording] Initially, the PMDB will strive to sponsor its own candidate. [end recording]

Congress Approves Some Economic Measures; Others Blocked

PY2801021394 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 27 Jan 94

[Text] The lack of a quorum has prevented the approval of three provisional measures from the government fiscal adjustment plan: provisional measures No. 404, which creates a control tax on the financial system; No. 407, which increases the income tax of large companies;

and No. 401, which authorizes charging the IOF [Financial Operations Tax] on private funds and portfolios [fundos'e'carteiras livres].

Luiz Carlos Santos, government leader in the Chamber of Deputies, believes that the result of the voting session today was not bad for the government, even though the mentioned provisional measures were not approved, because most of the other measures were approved. He said that provisional measures 407 and 404 will not be presented again because of the annuity principle [principle by which a tax cannot be implemented on the same year it is approved by Congress].

Some congressmen remarked that it was a contradiction that Congress did not approve a tax increase on large companies when yesterday it approved a tax increase on individuals.

Meanwhile, Finance Minister Fernando Henrique Cardoso has just said that the national Congress has acted against the people by approving a tax increase only for wage earners.

[Begin recording] [Cardoso] I think it was a very bad thing because they approved a tax increase for individuals, for the citizens, but why not for large companies? Why shouldn't banks pay a control tax? What are those who blocked the approval of these measures defending? I do not know. Certainly it is not in favor of the people.

[Unidentified reporter] Is it compromising for you?

[Cardoso] No, it is compromising for those who defended a wrong attitude. [end recording]

Roundup of Economic Reports Through 27 Jan

PY2701151294

[Editorial Report] The following is a compilation of reports on economic activities in Brazil monitored through 27 January. Source is listed in parentheses following each item:

December 1993's $604 million trade surplus was the lowest in the past six years. However, compared with 1992, the year's surplus was positive, $13 billion. (Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 21 Jan 94)

Brazil's foreign exchange reserves at the beginning of 1994 hit a record of almost $33 billion in international liquidity. This is an increase of more than $2 billion compared with November 1993, when reserves stood at $31.01 billion. The surge is due to the favorable foreign exchange rate in December 1993 resulting from the impressive flow of dollars into the country—$3 billion—attracted by high interest rates and good returns on the stock exchange. (Sao Paulo FOLHA DE SAO PAULO in Portuguese 22 Jan 94 Section 1 p 5)

According to statistics from Petrobras, Brazilian Petroleum Corporation, national consumption of oil byproducts in 1993 was the highest in the last four years, amounting to an average 1.278 million barrels daily—a 3.5 percent increase compared with 1992. The highest increases were in the consumption of fuel oil, which was up 5.7 percent, and gasoline, which rose 4.8 percent. (Sao Paulo GAZETA MERCANTIL in Portuguese 24 Jan 94 p 10)

* PDT Seeks Alliance With Left Wing of PMDB

94SM0184B Brasilia CORREIO BRAZILIENSE in Portuguese 25 Dec 93 p 4

[Article by Giselle Chassot: "Brizola Supporters Seek Alliance With Left Wing of PMDB"]

[Text] A surprising political alliance may be in the making for the upcoming general elections. On one side is Rio de Janeiro Governor Leonel Brizola's PDT [Democratic Labor Party], and on the other is at least a part—the so-called ethical wing—of the PMDB [Brazilian Democratic Movement Party]. The PDT's president, Deputy Neiva Moreira (Maranhao), is trying to conceal the fact by saying that "so far there is no localized effort in that direction," but the president of the PMDB, Deputy Luiz Henrique (Santa Catarina), says that the two parties "will sit down to talk before the end of the year [1993]."

What is most surprising about the deal is Brizola's willingness to give up an old precondition. According to reports, the governor of Rio de Janeiro is willing not to impose his own candidacy for president of the republic as the basis for any discussion. "The problem with these alliances is that they zero out all political aspirations," commented Senator Pedro Simon (PMDB, Rio Grande do Sul), the government's leader in the Senate. He admitted that his party was indeed going to talk to Brizola "before this year is out," but he feels that any political alliance that might result should unite all of "social democracy and also include the PSDB [Brazilian Social Democracy Party]."

Simon commented that the only party that could not be included would be the PT [Workers Party], since it already has a candidate (party president Luiz Inacio Lula da Silva). "The PDT also had Brizola at one time, but now he is willing to talk," the senator continued. He emphasized that in order for any agreement to be possible, all parties would have to sit down at the negotiating table as equals or, in this case, without having already picked their candidates.

Courtship—Some PMDB and PDT congressmen say the courtship between the two parties was the idea of Neiva Moreira, the PDT's president; Luiz Salomao (Rio de Janeiro), party leader in the Chamber of Deputies; and Deputy Vivaldo Barbosa, all on the PDT's side. The cupid on the PMDB's side was reportedly Jarbas Vasconcellos, mayor of Recife.

In the PDT, both Neiva Moreira and Salomao deny having taken the first step toward the agreement. Moreira insists that Brizola is the party's candidate for president of the republic and that the governor is not even free to decide whether or not he will head the party list if there really is a political alliance of some kind. "That decision is made not by him but by the party," he emphasizes. Salomao says the idea is not his, but he adds enthusiastically that "in view of the crisis in the PMDB, if we do not try to attract the wing of the party that interests us, it will wind up in the arms of the PSDB."

Salomao feels that the problems facing the PMDB at the moment may lead to a rapprochement with the party's so-called ethical wing. Or, as the PDT leader prefers to put it: "We are not interested in the PMDB's Sarney wing or its Quercia wing; what interests us is the Simon wing."

Although no one is openly claiming responsibility for the flirtation between a rather significant wing of the PMDB and the PDT, there is consensus on at least one point: the initiative came from the PDT. The PMDB's president points out that such an agreement already exists in some states. "But for the time being, there is nothing that goes any further than that; I have simply received from Neiva Moreira, Vivaldo Barbosa, and Luiz Salomao a statement of their desire to hold official talks between the PMDB and the PDT," he says.

Luiz Henrique claims, however, that the possible rapprochement with the PDT is in no way related to the crisis being experienced by the PMDB. Targeted by accusations that several of its most prominent members are involved in the budget scandal and split into several wings, the PMDB cannot agree on a consensus candidate. Even so, the president feels that if part of his party is arousing the interest of the PDT, that is "because of the party's size and importance."

Luiz Henrique made it a point to emphasize that there is no agreement between the two parties. "They took the initiative of talking, and that is very good," he said. According to the president of the PMDB, the flirtation between the two parties began less than two weeks ago.

PDT Even Calls on Silvio Santos To Ensure Growth

Sao Paulo—The PDT leadership in Sao Paulo is trying once again to resurrect the party in that state and trying to induce businessman and TV host Silvio Santos to join in order to run for governor in the upcoming elections. The PDT's new secretary general in Sao Paulo, former Deputy and former Osasco Mayor Francisco Rossi, says Governor Leonel Brizola has given him the job of conducting the talks with Silvio Santos in order to attract him to the party.

"We are working against time because Silvio still belongs to the PFL [Liberal Front Party], and the deadline for changing party membership is 8 January," Rossi points out. Silvio Santos will meet with his staff on 3 January to make a decision.

For its part, the PDT is already announcing the start of a campaign to attract 1 million new members in Sao Paulo. At the moment, the party cannot even say how many members it has in the state. It has only one federal deputy from Sao Paulo—its regional president, Liberato Caboclo—and one state deputy, Hilkias de Oliveira. "But the party will be different after the next elections," promises Rossi, who was a member of the PDS [Democratic Social Party] and the PTB [Brazilian Labor Party] before joining the PDT in September.

Rossi says he talked to Silvio Santos 20 days ago. "The talks are still under way, and the only difficulty is that deep down, he still has some hope of being the PFL's candidate for president," Rossi admits. "He says that politics is not part of his life at present, but he does not rule out the possibility that it might be in the future," the PDT leader says.

Parallel with that, the Sao Paulo PDT is talking to businessman Antonio Ermirio Votorantim, superintending director of the Votorantim Group. "Antonio Ermirio is also leaning toward being a candidate, but he had a bitter experience in the race for state governor in 1986," says Rossi. "In any case, people on the street are constantly calling on him to be a candidate, and as far as he is concerned, that is more important than any opinion poll. Besides, he has great admiration for Leonel Brizola," Rossi adds.

In its efforts to attract Silvio Santos and Antonio Ermirio, the PDT will have to match forces with the PFL. Both men are also being considered by the PFL as possible candidates for governor of Sao Paulo, according to the president of the PFL's executive board in Sao Paulo, former Minister Antonio Cabrera.

Elephants—This is not the PDT's first attempt to strengthen its position in Sao Paulo, where its share of the vote has historically been small. On several occasions it has invested in former politicians of declining prestige in the attempt to reorganize itself. Successive examples of this were former Deputy Roge Ferreira, his political heir Adhemar de Barros Filho, former Lieutenant Governor Almino Affonso, and former Deputy Airton Soares. None of them was able to put the party on solid ground or even to get anyone on the new slate elected. Brizola received less than 2 percent of Sao Paulo's vote for president of the republic.

*** Amorim Views Principal Events of 1993**

94SM0184A Brasilia CORREIO BRAZILIENSE in Portuguese 26 Dec 93 p 17

[Interview with Minister of Foreign Affairs Celso Amorim by Luiz Recena, place and date not given: "A Good Partner Need not Be a Reflection"; introductory paragraphs in italics as published]

[Text] *In international relations, the best partner is the country that is not a reflection of the other, stronger partner. Having points in common does not mean a lack*

of disagreements. It is along those basic lines, among others, that Brazilian foreign policy is being consolidated once again, under Itamar Franco's administration, in a clear, cooperative, and independent manner.

Ambassador Celso Amorim has been in the Ministry of Foreign Affairs since June, first as secretary general and then as minister. He is the main architect of that consolidation—a task involving bilateral relations, regional efforts, and Brazil's participation in such wider forums as GATT or the UN Security Council. Here is a look back at the year as seen by Celso Amorim.

[Recena] Mr. Minister, what do you consider the chief events of this year?

[Amorim] I will begin by emphasizing the idea, first brought up by the president of the republic, of a free trade area in South America—an idea that we are exploring bilaterally and within Mercosur [Common Market of the South]—and I hope it will become stronger. There are no new developments to mention, but I hope that the idea will soon take on a more definite shape.

[Recena] What about Mercosur?

[Amorim] Well, the final evaluation will have to be made next year when the presidents meet in Uruguay on 17 January, but intense negotiations have continued within Mercosur, and it is expected that Brazil and Argentina will overcome the difficulties that have arisen, especially as regards the Common External Tariff. The negotiations are not easy, but they are continuing to make progress. As I have been saying, we are reaching the moment of truth on several points—in sensitive areas affecting not only us—where Brazil is not the only one with protectionist interests. All four countries have specific interests, and this is now becoming increasingly clear. That is why we are entering a period of intense negotiations that will extend beyond the meeting by the presidents, but the presidents may be able to use the progress to date to lay down clearer parameters.

[Recena] Do you want to single out anything particular on the subject of Argentina?

[Amorim] Concerning Argentina, I would like to single out the recent meeting in Sao Paulo between the ministers of finance and foreign affairs of both countries. Brazil was also represented by the minister of industry and commerce. It was a meeting at which we were able to get negotiations moving again. I also regard as very important the visit by Minister of Foreign Affairs Guido Di Tella to the INPE [National Institute of Space Research] and the CIA. It was important as a demonstration of our exclusively peaceful intentions.

[Recena] Beyond the regional realm, what was the most important event?

[Amorim] It was undoubtedly the conclusion of the Uruguay Round. That was the most important international event from the standpoint of economic and even political relations, which needed a balanced solution from that round. We are pleased that the Uruguay Round has been completed. Obviously, it was not ideal—it did not give us everything we wanted—but important progress was made as regards market access: the average reduction on the part of the developed countries was on the order of 38 percent, and that will mean greater access for Brazilian products. It also marks the start of a reduction in farm subsidies, and while modest, that reduction is sizable and will bring benefits. In addition, there is GATT's role in laying down rules, another area in which considerable progress was made. Establishment of the World Trade Organization was another very important advance, since that institution will be able to actually regulate international trade. Brazil participated actively in those negotiations.

[Recena] What did its participation consist of?

[Amorim] There were seven years of hard work, and we made a very big contribution. It is good for Brazil that the agreement in question was possible. It is important to emphasize that the Brazilian Ministry of Foreign Affairs consistently conducted those negotiations in an efficient manner with the cooperation of the Ministries of Finance, Agriculture, and Industry and Commerce. I feel that the Ministry of Foreign Affairs should be given credit for the coordination effort: the effort to conduct those negotiations, which were the most complex negotiations to date in the field of trade and economy.

[Recena] What were relations with the United States like in 1993?

[Amorim] I have just returned from a visit to the United States. It was a short visit but one involving a lot of work. I met with many officials, among them Secretary of State Warren Christopher and the White House security adviser, Anthony Lake. I have heard many favorable comments about that visit. I took the opportunity it provided to present the Brazilian viewpoint with great frankness, stressing something that was not being sufficiently emphasized: the fact that our points of agreement are much greater than our disagreements. But public opinion in both countries and even some government circles focus more strongly on the disagreements. It may be natural to do so, but it is not right, because then the focus is on 5 percent of the issues at most and ignores the fact that we agree on the other 95 percent.

[Recena] How did you approach that subject?

[Amorim] The message that I tried to convey, and I think it was well received, well understood, and accepted, was this: precisely because Brazil is a country with its own specific characteristics and the same basic principles as those guiding U.S. society—democracy, a market economy, and respect for human rights—well, at the same time that we have those things in common, we also hold different views on various subjects. And a good partner is not one that reflects the other. A good partner is the one that is in a position to disagree and engage in dialogue in the search for a joint solution. I cited a few examples of that: our profitable coordination in the

Security Council, including the time during Ambassador Ronaldo Sardemberg's presidency, and our action at the Human Rights Conference, at which Brazil, precisely because of its special characteristics, played a fundamental role in ensuring the success of that conference and managed to conclude a negotiation that had seemed impossible of solution because of the disagreements among the Asian, African, and Western blocs. That message was very well received and very well understood, and during meetings at the White House, they asked for Brazilian suggestions regarding the hemispheric conference recently proposed by Vice President Al Gore.

[Recena] What is the greatest difficulty in those relations?

[Amorim] The issue of industrial property, which I also brought up during my visit. I explained that we expect to find a satisfactory solution. Brazil has been acting constructively while listening, of course, to the National Congress. They need to understand that—the fact that there are diverse sectors in Brazilian society, just as there are in U.S. society. It would be a political mistake jeopardizing the mature partnership we already have if some kind of unilateral measure were adopted this coming February. I have greater hopes following the Uruguay Round, whose agreement as approved also deals with the issue of intellectual property.

[Recena] What is your expectation?

[Amorim] It is very optimistic. And also because our relationship with the United States is symbolic of the integration we want to have with the other developed countries. I am scheduled to visit Germany and France, where I intend to talk along that same line: about cooperation while always respecting each country's special characteristics.

[Recena] Portugal: you were there recently. How was it?

[Amorim] It was an extremely productive visit. At the bilateral level, we had a frank discussion of the opportunities and problems, including the question of Brazilian members of the liberal professions practicing in Portugal. A task force will start dealing with that issue in January. At the start of February, we will be visited by Minister Durao Barroso. There is also the possibility of a bilateral presidential summit meeting during the first half of the year. Apart from bilateral matters, I want to mention Portugal's sincere support for the Brazilian idea of forming a Community of Portuguese-Speaking Countries. I would very much like to hold meetings by the foreign ministers of those seven countries in Brasilia and Lisbon before this year is over, at which time we would lay the foundations for that community.

[Recena] In the domestic area, what subjects are of concern to the Ministry of Foreign Affairs?

[Amorim] We are assigning great importance to ratification by Congress of the various agreements we have in the nuclear area. Those agreements were approved by the Chamber of Deputies in September, and we are confident that it will be possible to get them approved by the Senate as well before the year is over or as soon after that as possible. This is important in order to show the world clearly that Brazil is pursuing exclusively peaceful objectives in its economic and technological development, and we will then be in a better position to play an active role as regards the supplying of advanced technologies.

[Recena] The president of Communist China was in Brazil. What has changed?

[Amorim] It was an extremely important visit and one that will be repaid by our president in the coming year [1994]. We intend to send missions to the Asian countries. Thailand's minister of foreign affairs will visit Brazil in the near future. We are going to open an embassy in Vietnam. We were also visited by the president of Guyana, and I have just made a visit to Colombia—proof in both cases that we are seeking complete integration in the region.

[Recena] What about East Europe and Russia?

[Amorim] There was the visit by Minister Andrade Vieira, who signed a very important protocol, and various sectors in the government and in private enterprise are thinking of that big market. These are visits which mobilize and bring about positive reactions. I would also like to emphasize the decision by the president of the republic to open an embassy in Kiev, Ukraine.

[Recena] In conclusion....

[Amorim] In conclusion, I would like to announce that next year we are going to give a great deal of attention to making Brazilian culture known abroad. It is through culture that we will be able to present a good image of Brazil abroad. And a good image of Brazilian culture has very big effects. Our culture is very rich and attractive; it arouses the interest and attention of other countries naturally. It is a very important factor in promoting investments and trade. We will certainly be able to carry out important projects in this area in the new year.

* TSE Names Eligible Parties for Presidential Race

94SM0183B Brasilia CORREIO BRAZILIENSE in Portuguese 31 Dec 93 p 4

[Unattribued article: "TSE Says Only 11 Parties Qualify for Presidential Race"]

[Text] Yesterday the Superior Electoral Court (TSE) published its list of parties meeting the legal requirements for nominating candidates for president of the republic in 1994. Eleven parties qualified: the PDT [Democratic Labor Party], PFL [Liberal Front Party], PL [Liberal Party], PMDB [Brazilian Democratic Movement Party], PRN [National Reconstruction Party], PSD [Democratic Social Party], PSDB [Brazilian Social Democracy Party], PT [Workers Party], PTB [Brazilian

Labor Party], PP [Progressive Party or Popular Party], and PPR [Progressive Renewal Party]. Under the terms of Law No. 8,713, candidates can be nominated only by parties that received at least 5 percent of the votes counted in the 1990 elections for the Chamber of Deputies in at least one-third of the states, meaning, in practice, that they must have a minimum of 15 elected deputies. The same rule applies to parties wishing to run gubernatorial and senatorial candidates.

The reduction in the number of candidates is the result of the new Electoral Law (Law No. 8,713/93), which has been in effect since 1 October 1993, the date when it was published in the DIARIO OFICIAL. Although the PRN bloc had only 10 members on 1 October, it meets the legal requirement because it did receive 5 percent of the vote in the 1990 elections. The other seven parties with representatives in the Chamber of Deputies on 1 October could run a single additional presidential candidate if they formed a coalition.

Alliances—It can therefore be expected that there will be a maximum of 11 candidates to succeed President Itamar Franco. But while that number is mathematically possible, it is not likely, seeing that political alliances lead to coalitions. In 1989, 20 candidates vied to succeed former President Jose Sarney. The 11 parties in question are also eligible to run candidates for governor in 27 states and for the 54 vacancies in the Senate.

Of the 20 parties expected to participate in the 1994 elections, only two—the PMN [National Mobilization Party] and the PRP [Progressive Republican Party or Revolutionary Party of the Proletariat]—are not represented in the National Congress, but they have the permanent registration required by law. Nineteen have permanent registration, and one—the PSTU [United Social Workers Party]—has only temporary registration, but it does have one federal deputy, thus meeting another legal requirement. Two parties—the PTC [expansion not given] and the PT do B [Communist Party of Brazil]—are in the process of receiving permanent registration. The TSE is to decide by the day after tomorrow whether those two parties will also be allowed to nominate candidates.

Generally speaking, the new Electoral Law will benefit the voter, according to the TSE's presiding judge, Sepulveda Pertence. "The law tried to make things easy for the voter by adopting two ballots for the elections: one for candidates to be elected by majority vote and another for proportional voting. The only disadvantage is that it prevents us from holding two rounds of balloting and organizing parallel vote counting, since the two ballots will be deposited in a single ballot box." Although deploring the slow vote count that will result, Sepulveda admits that it is the only way to prevent fraud.

The following parties will be eligible to run candidates for president of the republic in 1994, for state governor, and for the Senate: the PMDB, PFL, PSDB, PDT, PT, PL, PP, PPR, PSD, PTB, and PRN.

The following will be able to run candidates in elections under the proportional system (that is, for the Chamber of Deputies and state legislative assemblies) in 1994: the PSB [Brazilian Socialist Party], PC do B [Communist Party of Brazil], PPS [Popular Socialist Party], PSTU, PV [Green Party], Prona [National Order Redefinition Party], PSC [Social Christian Party], PMN, and PRP.

* New 1994 Budget Proposal Detailed

94SM0183C Brasilia CORREIO BRAZILIENSE in Portuguese 30 Dec 93 p 14

[Unattributed article: "Budget Cuts Total $12 Billion"]

[Text] The new version of the 1994 budget, announced yesterday following a reformulation of the bill sent to Congress in August, will result in federal spending cuts of $12 billion compared to expenditures in 1993 and of $22 billion in comparison with the original budget bill for 1994. The National Treasury's revenues and expenditures will total $88.8 billion. Raul Jungman, executive secretary of the Ministry of Planning, points out that the bill will become effective only if approved by Congress. "The congressmen share responsibility for stabilizing the economy, and it will be up to them to say whether we will have a balanced budget with no deficit." The total budget, including debt rollovers, comes to $280 billion.

The tough budget bill says that the government will spend only what it collects in 1994 and that public debt instruments will be issued only to roll over the domestic and foreign floating debt that already exists. According to economist Edmar Bacha, special adviser to Minister of Finance Fernando Henrique Cardoso, that budget balance is the foundation stone for adoption of the second and third stages of the economic stabilization program. Those stages call for adopting the URV [Real Value Unit] and subsequently making it a strong currency. "We are freeing ourselves of the need to use inflation and corruption to balance the budget. We are exchanging those instruments for negotiation, which is the only alternative we have left, since the other choice would be dictatorship."

Surrealism—Bacha explained that in previous years, the Executive Branch would send Congress an "unrealistic" budget and get back a "surrealistic" law. Since it was impossible to execute the expenditures called for in that law, the administration would guarantee those expenditures, wait for inflation to erode values, and make the money available. The result of that game has been the increase in inflation.

In its budget revision, the government is working with real interest rates of 15 percent for 1994, since there will be no more indebtedness. That will help reduce debt service, which should decline from $8.7 billion in 1993 to $7.7 billion in 1994. "That drop is feasible, since we will no longer have a deficit of $22 billion to finance," says Bacha.

Effort

However, the Legislative and Judicial Branches are not making the same effort as the Executive Branch to cut spending. The Chamber of Deputies, the Senate, and the National Accounting Office will receive about $305 million for investment and operations in 1993 [as published]—51 percent more than their probable actual spending level in 1993 (expenditures included in the original 1993 budget or in supplemental budgets passed during the year). The courts will receive $699.6 million, or 42 percent more than the $470 million they received in 1993. For its part, the Executive Branch will receive $43.1 billion, or 17 percent less than the $52.1 billion received in 1993.

A number of ministries have been given special treatment, however, examples being the military ministries (EMFA [Armed Forces General Staff], Army, Navy, and Air), which will receive $2.2 billion for operations and investment. That is an increase of 48 percent over 1993 and the result of tough negotiating with the economic area.

Administration Expects To Collect $84 Billion

The administration expects to achieve record collections of $84.6 billion in taxes, compulsory contributions, and fees in 1994. Those revenues, the largest in the country's history, will consist of the following:

Import tax (II): This tax is imposed on Brazilian imports and will bring in $2.12 billion, or 0.47 percent of gross domestic product (GDP), in 1994.

Industrialized products tax (IPI): The administration expects this tax to yield $10.94 billion, or 2.41 percent of GDP.

Income tax (on individuals and corporations): This is the federal tax that brings in the most money. The administration expects it to provide $17.54 billion, or 3.87 percent of GDP, in 1994.

Financial operations tax (IOF): Estimated IOF receipts for 1994 total $3.7 billion, or 0.82 percent of GDP.

Provisional tax on financial operations (IPMF): Collection of this tax will begin next Monday, with an expected yield in 1994 of $4.8 billion, or 1.06 percent of GDP. Some congressmen believe that the administration is underestimating revenues from this tax.

Social investment contribution (Cofins): Now that the Federal Supreme Court has ruled that the collection of Cofins is constitutional, the administration expects it to yield $8.06 billion, or 1.78 percent of GDP. The administration has not included in these revenues the money deposited in a Cofins account with the courts by businessmen.

PIS [Social Integration Program]/Pasep [Government Employees Welfare Fund] contribution: The administration expects to collect $5.22 billion in PIS/Pasep contributions in 1994. That is the equivalent of 1.1 percent of GDP.

Social contribution based on net profit: Revenues from this contribution are expected to total $3.74 billion, or 0.83 percent of GDP.

Employers' and employees' social security contributic Here the administration estimates that revenues wi total $20.6 billion, or 4.55 percent of GDP.

Government employees' social security contribution: Government employees are expected to contribute $2.05 billion, or 0.45 percent of GDP, in 1994.

Other (including supplemental port fees, military pensions, contributions to the training wage, amounts due from the freight supplement and modernization of the merchant marine, and so on): Revenues from these taxes are estimated at $4.03 billion, or 0.89 percent of GDP.

Other revenues (including the contribution based on lottery revenues): The administration expects to obtain $1.5 billion, or 0.35 percent of GDP, from this type of collection.

Bill Predicts 4-Percent Rise in GDP

The administration is expecting GDP to be about 4 percent higher in 1994 than in 1993. "Studies conducted by the administration, backed by indications relative to the basic parameters for projecting national accounts, suggest the advisability of adopting a forecast to the effect that GDP in 1994 will increase by about 4 percent compared to 1993," the administration has announced in a message sent to Congress with the budget for 1994.

The message sent by President Itamar Franco regarding the General Budget of the Union supports the economic team's position that it is necessary "to restore normal operating conditions in the Brazilian state so that it will be possible to stabilize the economy and guarantee social justice." And for that very reason, it says that the administration and various segments of society must be prepared to carry out the difficult task "of balancing the national accounts." "To do that, decisions by the National Congress are essentially and fundamentally necessary in order to provide the Executive Branch with the tools making it possible to overcome the difficult situation we find ourselves in today."

Wages—The administration also expects to spend 681 billion cruzeiros, or 5.3 percent of GDP, on personnel expenditures and charges (including both active and retired personnel). Those projections, contained in the message sent to Congress along with the budget bill for 1994, were ma ie, the administration says, in accordance with the prime rule that the government's basic payroll in 1994 cannot exceed the 1993 payroll.

On the basis of its analysis of the current economic situation and the macroeconomic scenario for 1994, the administration announces in its budget bill that "the main problem in the Brazilian economy continues to be inflation, which, while not threatening to begin any rapid upward movement, has been exhibiting remarkable resistance to a decline."

Prices—According to the administration, "the predominant diagnosis of Brazilian inflation points to the fiscal crisis as reflected in individual defensive postures by those responsible for price formation, whose practices are affected basically by their perceptions of the state's fiscal difficulties."

And it adds: "In that context, stabilization of the economy presupposes implementation of a prior agreement aimed at reversing people's expectations and establishment of the basic preconditions for the desired economic stabilization." The administration says in connection with its budget bill for 1994 that "as 1993 comes to a close, the Brazilian economy has been continuing the recovery begun in September 1992."

Ministries Most Affected

The Federal Government's budget for 1994 will include cuts of up to $12 billion compared to what was spent in 1993. About $8.7 billion of that will come out of the operating and investment budgets of the ministries. Those most affected will be the Ministries of Social Welfare and Regional Integration, whose budgets will be cut by nearly 70 percent, and the Ministries of Agriculture, Health, Education, and Mines and Energy, which have lost an average of 40 percent of what they had in 1993.

The Ministry of Navy plans to spend nearly 300 percent more than it did this year. The Judicial and Legislative Branches and the Strategic Affairs Secretariat expect to spend 50 percent more. The budget still has to be debated in Congress by the congressmen, who are expected to submit amendments affecting the amounts proposed by the Executive Branch.

The above figures are part of the Budget of the Union for 1994—one of the pillars of the Ministry of Finance's economic adjustment program—and they were announced yesterday by Raul Jungmann, executive secretary of the Ministry of Planning; Edmar Bacha, special adviser to the Ministry of Finance; and Luis Carlos Nerosky, secretary of federal budgets.

Deficit: The cuts announced today, added to the expected increase in revenues, mean that the administration is eliminating the $22 billion deficit included in the first budget bill, which was sent to Congress in August.

A comparison of the funds allocated to the ministries in the budget submitted in August with those in the final version announced yesterday shows that the reductions are impressive: nearly $20 billion. In fact, that figure represents the difference between what the ministries wanted to spend and what the economic team actually authorized.

Chile

President-Elect Frei Appoints Six Under Secretaries

PY2801022894 Santiago Radio Cooperativa Network in Spanish 2200 GMT 28 Jan 94

[Text] Through a communique President-elect Eduardo Frei Ruiz-Tagle has announced the appointment of the six under secretaries who remained to be appointed to complete the cabinet that will accompany him when he is installed on 11 March.

According to the communique, delivered this afternoon, the following under secretaries were appointed:

War under sercretary: Jorge Burgos Varela, lawyer, confirmed in his post.

Navy under secretary: Carlos Eduardo Mena Kramer, lawyer, political sciences expert, and current president of the Chilean Institute of Humanistic Studies.

Aviation under secretary: Mario Fernandez Baeza, laywer, who occupied this same post until last year before being candidate for deputy for Rancagua.

Carabineros under secretary: Luciano Fouilloux Fernandez, lawyer.

Investigations under secretary: Brigadier Jorge Pantoja, retired, who has held this post since 1990.

Education under secretary: Gonzalo Undurraga Mackenna, sociologist, and current dean of the Catholic University Pedagogic School.

After these appointments it is expected that Frei will appoint the regional mayors and provincial governors who will be installed on 11 March. Frei, however, will begin a three-week vacation this coming weekend.

Roundup of Economic Reports Through Jan 27

PY2701145994

[Editorial Report] The following is a compilation of reports on economic activities in Chile monitored through 27 January. Source is listed in parentheses following each item:

The U.S. company CDE Chilean Mining Corporation, a subsidiary of Coeur d'Alene Mines, signed a contract with the Chilean Government for the investment of $52 million in a project to tap gold and silver deposits in Fachinal, a village in the 11th Region. Commercial production is expected to begin during the first half of 1995. It is estimated that daily production will be 1,500 metric tons. (Santiago ESTRATEGIA in Spanish 13 Jan 94 p 6)

The National State Railroad Company announced that it will put its freight subsidiary up for bids. Ignacio Echavarria, chairman of the National State Railroad Company, explained that the objective is to decentralize the national railroad system, improve its facilities, and expedite operations. The subsidiary was created in 1993 to handle freight in central and southern Chile. Echavarria stated that both Chilean and foreign investors will be able to bid for 51 percent of the subsidiary's shares, adding that this is the first and probably the only privatization of a sound and operational company that will be carried out under the current administration. The bidding terms will be available on 31 January. (Santiago Radio Cooperativa Network in Spanish 1000 GMT 22 Jan 94)

Colombia

Poll Shows Colombians Reject Presence of U.S. Troops

PA2701121294 Paris AFP in Spanish 1906 GMT 26 Jan 94

[Text] Medellin, Colombia, 26 Jan (AFP)—A poll conducted for the morning paper EL COLOMBIANO of Medellin and the private Caracol radio station today revealed that a large segment of the Colombian population mistrusts the presence of some 150 U.S. soldiers along Colombia's Pacific coastline.

The poll, which was conducted by the National Advisory Center [Centro Nacional de Consultoria—CNC] in Medellin, the second largest city in the country, invited opinions on the presence of U.S. soldiers in Colombia.

It showed that 73 percent of those polled flatly rejected the foreign presence, 18 percent favored it, and 9 percent did not reply.

The rejection emerged in late December when a contingent of U.S. Marines arrived in the Pacific region to carry out charity works, according to the government's official report. According to the report, these foreigners are building a school, a health center, and a stretch of a road. Their arrival, however, sparked very angry comments, and several politicians even dismissed their tasks, claiming that Colombian soldiers could carry them out without foreign aid.

EL COLOMBIANO reported that those polled pointed out that "they do not accept the presence of U.S. Marines along the Colombian coast. Likewise, they mistrust the government's explanations about the works that are being carried out there."

When asked whether the presence of U.S. soldiers violates sovereignty, 69 percent replied yes, 20 percent replied no, and 11 percent replied they did not know. When asked whether they believe the soldiers are building schools and roads, 66 percent of those polled replied no, 10 percent replied yes, and 24 percent did not answer.

Insurgents, Military Blame One Another for Uraba Massacre

PA2801033894 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 27 Jan 94

[Video report by Miriam Ortiz in the Uraba region; from the "24 Hours" newscast—passages within quotation marks recorded]

[Text] The truth is that no one knows who committed the dozens of slayings that have brought mourning to the Uraba region. Some believe political groups confronting one another in an internal power struggle are responsible. Others believe it is the guerrillas, while others blame paramilitary groups. Each and every one of these parties, however, has washed its hands of the affair.

Following the massacre of 34 Hope, Peace, and Liberty—EPL—militants in Apartado in the Uraba region, the authorities directly accused the rebels of committing the crime.

[Army Commander General Hernan Jose Guzman, identified by caption] "The National Guerrilla Coordinating Board [CNG], and specifically the 5th Front of the FARC [Revolutionary Armed Forces of Colombia] and its Bolivarian Militias, are the ones that are instigating bloodshed in Uraba."

Meanwhile, the different political forces struggling for power in the region, aside from accusing one another, denounce the presence of paramilitary groups. The CNG, via a communique, has blamed the National Army and the paramilitary led by Fidel Castano for the events that have taken place in the Uraba region. Spokesmen for the Socialist Renewal Movement [CRS] assert the same.

[CRS spokesman Luis Alberto Cabeza, identified by caption] "The violent situation is being created from all sides. Not only—as the media has reported—are insurgents involved, but also the paramilitary groups, as well as the Army itself."

On the other hand, EPL reinsertados [guerrillas reintroduced into civilian life] believe those responsible for the violence unleashed in the Uraba region are members of the Patriotic Union [UP] and the Communist Party of Colombia, who—according to the EPL reinsertados—are bidding to maintain political hegemony over the region, no matter how high the cost.

[EPL spokesman Alvaro Caceres, identified by caption] "At this moment, the four mayors of the Uraba region in Antioquia Department—Apartado, Chigorodo, Carepa, and Turbo—are UP members who refuse to guarantee free elections in the Uraba region of Antioquia Department."

The UP, however, says this charge lacks political logic. UP representatives content paramilitary groups are responsible for the killings, and they question the Army's

mission in the Uraba region. They assert that as more soldiers arrive, massacres will increase and impunity will abound.

FARC Front Denies Participation

PA2701233694 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 27 Jan 94

[Text] A FARC [Revolutionary Armed Forces of Colombia] front blamed for killing 35 people in Apartado over the weekend has denied its participation in the massacre by claiming the culprits are the same people responsible for the killings at Honduras, La Negra, and Pueblo Bello haciendas.

Today, the Hope, Peace, and Liberty Movement said it will not withdraw from the Uraba political pact. The movement's topmost leader, Senator Anibal Palacios, however, has said that FARC's Bolivarian Militias are the ones that massacred 35 people in La Chinita, Apartado, neighborhood. This is Palacios' reaction to a letter FARC addressed to Antioquia Governor Juan Gomez Martinez denying FARC participation in the massacre.

[Begin Gomez Martinez recording] We did not say that Patriotic Unity is responsible, but rather that the Guerrilla Coordinating Board and the Bolivarian Militias had a hand in the La Chinita massacre. [end recording]

This afternoon, the movement leaders met with Government Minister Fabio Villegas Ramirez, whom they have asked to be an international observer for Uraba.

[Santa Fe de Bogota EL TIEMPO in Spanish on 26 January publishes a 400-word article on page 6-A reporting: "The Hope, Peace, and Liberty Movement's decision to withdraw from the follow-up table [mesa de seguimiento], which guarantees the existence of the political pact signed in Uraba on 23 November, produced an avalanche of reactions." The article also reports: "Government Minister Fabio Villegas said the commitment has not been broken" and he adds that the Hope, Peace, and Liberty Movement still recognizes the validity of the political pact that was signed."]

* Fenalco Views Prospects for Inflation

94SM0181A Santa Fe de Bogota EL TIEMPO in Spanish 28 Dec 93 p 8A

[First paragraph is EL TIEMPO introduction]

[Text] According to the association's crystal ball, prices of state-provided goods and services continue to rise sharply. The same thing is happening with money in circulation, which is increasing by more than 35 percent.

Fenalco [National Federation of Businessmen] warned of the serious risk of a new heating up of inflation during the coming months as a consequence of the increase in the amount of money in circulation, the rates charged for services provided by the state, and the obligations imposed by the social security reform.

"Realistically, it seems likely that in 1994 the IPC [Consumer Price Index] will have a higher rate of increase because of a number of factors," said a Fenalco statement.

In its end-of-the-year report, Fenalco maintains that inflation's downward trend is still far from certain. "If foods are excluded, the annualized inflation rate remains at 27 percent."

According to Fenalco, the prices of goods and services provided by the state continue to rise sharply. In addition, money in circulation is increasing by over 35 percent.

The business association also cites the fiscal deficit and the rise in public spending as causes of inflation, along with labor costs created by the social security reform, which readjusts the payments that businesses and users must make to the ISS [Social Security Institute].

"Fenalco cannot be as optimistic about inflation in 1994 as the government is."

No Slowdown in Trade Liberalization

Fenalco said that a too great delay of trade liberalization would be a historic error on the part of the next president of Colombia. This process has become esential for the nation's progress in the next century, if it wants to move ahead of the group of medium- and lower-income countries.

Another immediate challenge, says Fenalco, is stabilizing the economy to bring the annual inflation rate down to one-digit levels within a maximum of three or four years.

According to the business group, the next government cannot continue the policy of excessive, deficit-based public spending, nor can it slacken in the area of monetary discipline.

The report adds that accelerating devaluation to stimulate exports "is not a consistent and serious policy."

Concerning foreign investment in Colombia, Fenalco's president, Sabas Pretel de la Vega, said that although Pablo Escobar's death has created a better environment, Colombia still has many weaknesses and risks that deter foreign investment.

The association report includes numbers on business growth. According to these statistics, during the first eight months of 1993 retail sales rose 3.8 percent.

Although automotive sales have increased, sales of imported vehicles declined during the last two months of 1993, as the dealers waited for next year's new models.

* Commentary Views Prospects for Economy in 1994

94SM0181B Santa Fe de Bogota EL TIEMPO in Spanish 3 Jan 94 p 3B

[Commentary by Antonio Urdinola: "Prospects for 1994"]

[Text] In 1993 Colombia's economy continued to behave much as it did in 1992. Growth was based on sectors not affected by international trade: construction, transportation, commerce, finance, and other public and private services. Sectors involved in international trade, essentially manufacturing and agriculture, are becoming less profitable as a result of the trade liberalization and revaluation of the last two years, plus the low international prices of basic commodities.

The economy is actually operating on two different tracks. Sectors not involved in international trade are growing at over five percent a year, with prices increasing at about 28 percent, and with high profits. Sectors involved in international trade, on the contrary, are growing much more slowly; prices are rising at less than 15 percent a year, while their average costs, especially wages, are rising more rapidly, driving profits down.

It seems rather unlikely that in 1994 the world economy will experience an expansion strong enough to significantly improve international prices of the basic commodities we export or that compete with our domestic production. So the only hope of slowing down the gradual deterioration of businesses affected by international trade lies in modifying the devaluation policy of the board of directors of the Bank of the Republic, and achieving more effective control of contraband and dumping.

Without such changes, the growth of the economy and jobs will remain dependent, as they are now, on a boom in construction and services, especially public services because of the surge in government spending. Personally, I do not believe in the long-term solidity of an economy where the vitality of its industry and agriculture is gradually decreasing. Construction, financed partly by foreign capital drawn by attractive dollar profits generated by revaluation, has demonstrated over and over its cyclical character, and it continues to do. Nor is it possible to indefinitely continue increasing public spending or the tax burden to finance this spending.

Ecuador

Minister Vows To Continue War on Drugs

PA2801045294 Paris AFP in Spanish 1907 GMT 27 Jan 94

[Text] Quito, 27 Jan (AFP)—The United States has confirmed it "will do all that is necessary" to help Ecuador in its struggle against drug trafficking, Foreign Minister Diego Paredes reported today. He added that it was this fight that prompted guerrillas of the Revolutionary Armed Forces of Colombia (FARC) to kill 11 Ecuadoran policemen and soldiers.

The Ecuadoran official announced that U.S. Secretary of State Warren Christopher sent a note to Ecuadoran President Sixto Duran-Ballen lamenting the death of the 11 uniformed men during a FARC ambush. The 11 men were involved in a narcotics operation in the area of the Putumayo River, at the Colombian border, in December 1993.

The U.S. Government "realizes these personnel were killed while courageously confronting and combating the threat of international drug trafficking, and it values the sacrifices made by the national government in this struggle," Christopher stated.

The note from the United States also "guarantees that its government will do everything it can to help Ecuador in this effort," Paredes pointed out.

The foreign minister added that Ecuador will not budge in its struggle against drug trafficking and terrorism through the application of the law without having second thoughts, and by respecting human rights and the country's institutional system.

Colombia's Cali Cartel Expands Into Ecuador

PA2801020594 Paris AFP in Spanish 0211 GMT 27 Jan 94

[Text] Quito, 27 Jan (AFP)—Colombia's Cali Cartel has expanded its operations into Ecuador, Colonel Telmo Erazo, director of investigations and Interpol liaison for the Ecuadoran police, stated here today. According to Erazo, Colombian narcotraffickers are using Ecuador as a bridge to ship cocaine into the international market.

"There are clues that the cartel is exerting influence in our country, and we are working to combat this," Erazo told newsmen.

The head of the counternarcotics squad does not dismiss that after the death of Pablo Escobar Gaviria, head of the Medellin Cartel, Cali's criminal organization has gained control of the drug business worldwide.

DEA reports indicate that the Cali Cartel is supplied with Peruvian and Bolivian cocaine paste, which is later processed in laboratories located in jungle regions of southern Colombia, especially in the Putumayo region along the Ecuadoran border.

The organization is also conducting large money laundering operations in Ecuador and in Venezuela, Chile, and Argentina, according to police spokesmen.

Over the past few days Ecuadoran, authorities have seized cocaine paste and cocaine hydrochloride, which were camouflaged in shipments bound for the United States and Europe. Several Spanish passengers, as well as passengers of other nationalities, presumably linked with drug trafficking, have been arrested in operations staged at the Guayaquil and Quito international airports.

Paraguay

President Departs on Visits to Ecuador, Peru

PY2701170094 Asuncion RPC Television Network in Spanish 1500 GMT 27 Jan 94

[Text] President Juan Carlos Wasmosy is at this moment departing for Ecuador, where he will meet his colleague Sixto Duran-Ballen and congressional authorities in that country. After the signing of several bilateral cooperation agreements, Wasmosy will travel to Lima, Peru, where he will be received in a public session by the Peruvian Congress.

The president will return to our country during the first days of February.

Relations With PRC Denied; Ties With ROC To Be Increased

PY2701181494 Asuncion ABC COLOR in Spanish 27 Jan 94 p 13

[Excerpt] Foreign Minister Luis Maria Ramirez Boettner stated on 26 January that our country will not establish diplomatic relations the PRC. He indicated that the two countries will seek to expand trade relations and that the possibility of opening trade offices in Asuncion and Beijing will be studied.

The foreign minister outlined the government's official position following the first visit to Paraguay by a PRC business delegation, headed by the president of the Chamber of Commerce of Beijing. The PRC delegation met with local businessmen and with directors of the Chamber of Commerce seeking to increase bilateral trade.

Ramirez Boettner explained during a news conference: "We maintain relations with the Republic of China, but this in no way prevents us from maintaining private trade relations with the PRC. A trade delegation has visited. I have met with them to see whether trade and economic exchanges can be increased, but no further steps will be made toward establishing diplomatic relations."

Also on 26 January, the foreign minister received copies of the credentials of the new ambassador of the Republic of China (Nationalist China), Agustin Tingtsu Liu [name as published], who will present his credentials to President Juan Carlos Wasmosy when he returns from his visit to Ecuador and Peru.

Ramirez Boettner and Agustin Tingtsu Liu established a line of action to increase bilateral relations in the spheres of training, technical cooperation, and investment. [passage omitted]

Roundup of Economic Reports Through 27 Jan

PY2701152894

[Editorial Report] The following is a compilation of reports on economic activities in Paraguay monitored through 27 January. Source is listed in parentheses following each item:

A General Customs Directorate report notes that export earnings in 1993 were $748,145,804.64—free-on-board value, a 15.3 percent rise compared with the previous year. Exports rose 33.5 percent, totaling 2,783,377.6 metric tons. Paraguay's chief exports were soybeans, uncarded cotton, wood, leather, furs, and frozen beef. Its main trading partners were Brazil, which accounted for 30.1 percent of Paraguayan export earnings, followed by the Netherlands, 25.4 percent; Argentina, 9 percent; the United States, 8.7 percent; Chile, 6.1 percent; and Switzerland, 3.7 percent. (Asuncion ABC COLOR in Spanish 25 Jan 94 p 13)

The Inter-American Development Bank and the Argentine-Paraguayan Yacyreta Company on 27 January signed a $130 million loan agreement in Washington. This agreement includes the implementation of projects to alleviate the environmental impact of the hydroelectric dam's construction and several infrastructure and housing development programs to resettle 10,000 families, industries, and shops. (Asuncion ABC COLOR in Spanish 27 Jan 94 p 30)

Peru

International Cooperation Secretary Interviewed

PY2601145094 Lima EL PERUANO in Spanish 17 Jan 94 p A4

[Interview with Eduardo Ishii Ito, executive secretary of the Ministry of the Presidency's International Technical Cooperation, CTI, agency, by unidentified EL PERUANO reporter; place and date not given]

[Excerpts] [Passage omitted] [EL PERUANO] What is CTI's situation in Peru now that conversations with the U.S. Government have resumed?

[Ishii] Our International Technical Cooperation is going through a process of growth and clear evolution at a time when we are resuming full diplomatic relations at the ambassadorial level.

[EL PERUANO] Regarding the national drug prevention and control plan, what agreements have been reached with U.S. Ambassador Alvin Adams? What is the implementation schedule?

[Ishii] The U.S. ambassador met the president of the commission responsible for drawing up the drug control and prevention master plan. He offered his cooperation, in the methodological aspect, for writing the draft of the

document that will be presented at the end of February in accordance with deadlines established by law. [passage omitted]

[EL PERUANO] What agreements are being implemented and what ones are in a process of approval by the CTI in Peru?

[Ishii] During 1933 we created joint commissions to negotiate and program important projects for the country's development. We arranged intergovernmental meetings with Germany, Spain, the Netherlands, and the EEC. We also arranged other preparatory meetings for negotiating diverse projects. This year we will have joint commissions with Switzerland, Great Britain, Spain, the Netherlands, and other countries. [passage omitted]

[EL PERUANO] Is there a certain method or system developed by the CTI in Peru that is being copied by other countries? How does that system operate?

[Ishii] Technical cooperation in Peru has developed and implemented diverse ways of implementing projects, particularly in emergency zones. The implementation of small social interest projects (Pepicos) and the creation of cooperation funds, which gather and convert donations of food, equipment, and machinery into cash, are important. We have used those funds to implement sustainable development projects in areas where the government has very little influence. We also must stress that project implementation is direct, that is, it is carried out by those will benefit from the program.

[EL PERUANO] How large is U.S. participation in the fight against drugs?

[Ishii] There are U.S. personnel in the country. They are deployed in the Upper Huallaga region. This support is in answer to bilateral agreements between the United States and Peru.

[EL PERUANO] Are there any suggestions for Peru and other countries to form a common strategy at the world or hemispheric level within the new guidelines established by the United States to fight drug trafficking?

[Ishii] The Peruvian Government has a defined position regarding the fight on drugs because it is a problem affecting all countries, consumers and producers alike, one way or another. This means that we must form a common strategy to fight drug trafficking.

[EL PERUANO] How much did the CTI receive during 1993? How much does it expect to receive during 1994?

[Ishii] During 1993 the CTI received nearly $400 million. This year we expect to receive approximately $500 million.

Editorial Urges U.S. Examination of Peruvian Human Rights

PY2801015094 Lima EXPRESO in Spanish 19 Jan 94 p A30

[Editorial: "Watson Can Compare"]

[Text] During the past decade Alexander Watson, U.S. Assistant Secretary of State for Hemispheric Affairs, lived in Peru for three years. He thus has first-hand knowledge with which he can compare the Peruvian human rights record at that time with the current situation, and can help unveil lies. For example, he can check the responsibility of organizations like Americas Watch, whose director a short time ago wondered on a Lima radio station—according to a report sent by Aprodeh [Peruvian Human Rights Association]—"how much more is necessary to make the Fujimori government substantially change its policies concerning human rights and democracy."

However, rather than placing the emphasis on such ostentatious and unacceptable expressions, the important thing now is to ask Ambassador Watson to himself compare the antisubversive policy and the human rights policy in force when he was ambassador to Peru with the current policy in those areas. He should then conclude which of those policies preserves human rights. He should also reflect on whether it is not actually true that human rights are now more respected than they were four, seven, or 10 years ago.

It is true for a simple reason, which we will tirelessly repeat: There is a consistent antisubversive strategy that is based precisely on a systematic alliance with people: on respectful treatment, "civic support," and help for their defense organizations; on intelligence work that does not make use of violence; on a system of summary trials which has become more flexible, and has in fact prevented all attempts to take justice "into one's own hands"; and last but not least, on legal pincers made up of strong penalties with a simultaneous legal path toward repentance.

If there is anything on which almost all Peruvians agree, it is that this strategy should not be modified, and even less so "substantially" modified, as Americas Watch put it. Contrary to what had happened up until four years ago, people no longer feel terror of the Armed Forces. Now people invite them, help them. No one wants to change this policy. It turned out to be positive and successful precisely because it is based on respect for people's human rights.

No one is in a better position than Ambassador Watson himself, who is acquainted with the previous situation, to make this comparison, to verify how far the Peruvian human rights record has advanced over the past three years, and consequently to verify the magnitude of the lies of those who charge that Peru has adopted a systematic human rights violation "pattern." Quite the contrary. There is a tremendous difference with previous

times: in the treatment given to people, in the penalties imposed on terrorists, in the treatment of prison inmates, and in participation by the people.

Ambassador Watson can help dismantle this gigantic infamy against Peru, this disinformation campaign which, far from recognizing and praising this substantial progress, has ignored—we do not know whether deliberately—that the great news in Peru is not the La Cantuta Prison case, because there were dozens of cases like this in the 1980's, but the implementation of the strategy based on support for the people and on respect for their human rights.

This is how the Armed Forces fortunately understood things in 1990, and it is what the international community should praise, instead of condemning.

Roundup of Economic Reports Through 27 Jan

PY2701153194

[Editorial Report] The following is a compilation of reports on economic activities in Peru monitored through 27 January. Source is listed in parentheses following each item:

The Inter-American Development Bank, IDB, has approved new loans for Peru totaling $300 million, which will be earmarked for health and education projects as well as for a program to grant property deeds to poor peasants. This information was made public on 9 January by Manuel Estela, the Peruvian representative to the IDB. He reported that this is the first part of $400 million in loans the IDB intends to grant to Peru 1994. The Financial Development Corporation will be in charge of administering the funds. (Lima LA REPUBLICA in Spanish 10 Jan 94 p 7)

The Netherlands' Government has officially notified Economy Minister Jorge Camet Dickmann of the partial forgiveness of Peru's debt to the Netherlands for the granting of loans on concessionary terms, which amounts to $1.9 billion. The Netherlands canceled a total of $6.7 billion of Peruvian debt in 1993. (Lima EL COMERCIO in Spanish 14 Jan 94 p A4)

* Terrorist Attacks in November Dropped Drastically

94SM0180A Lima DESCO SPECIAL REPORT in Spanish Nov 93 pp 10-11

[DESCO SPECIAL REPORT No. 31: "Political Violence in Peru Today," issued by Peru's Center for Development Studies and Promotion (DESCO)]

[Text] November has seen less political violence than almost any other time during the 13 years of war. During this month, there were 36 subversive actions, resulting in 42 deaths: six military personnel, one police officer, 11 civilians, and 18 alleged subversives [as published].

In a way, it was predictable that Shining Path [SL], especially, would pull back in November, after launching a larger number of actions for two months in a row in September and October.

This month's actions occurred primarily in Lima, which is still in first place with 20 attacks (56 percent). SL focused most of its bombings on private businesses. There were three car bombings during the month, two of them in commercial areas in Miraflores and Camacho, while the third one went off near an Army barracks.

The second-largest number of assaults took place in the jungle region, with eight actions (22 percent). In the province of Leoncio Prado, there were six clashes, two of them open confrontations between subversives and security forces. The other four battles arose out of counter-subversion actions by the Army. And in Leoncio Prado and Huanuco, subversives carried out annihilation attacks against civilians.

The central region was in third place out of four, with five assaults (14 percent). Two of these actions were successive confrontations involving the Tupac Amaru Revolutionary Movement (MRTA) and the Army in Chanchamayo Province. The other two were SL bombings in Huancayo Province.

Last place in terms of subversive actions was taken by the northern region, with three assaults (8 percent). Two of the incidents involved the MRTA; in one they jammed the radios of the Chimbote National Police and in the other they rescued two of their members as they left the Chimbote courthouse.

Terrorist Attacks by Region: November

- 1. Lima 56%
- 2. Jungle 22%
- 3. Central 14%
- 4. Northern 8%

As for the number of casualties, the central region occupied first place with 24 (57 percent). All were members of the MRTA, killed in clashes with Army troops in the province of Chanchamayo.

In second place was the jungle region, with 14 casualties (33 percent). Six were Army soldiers who died in two battles with SL in Leoncio Prado Province. In addition, eight civilians were killed in SL incursions in the provinces of Huanuco and Leoncio Prado.

In third and last place were the northern and Lima regions, which tied at two deaths (5 percent) each. In the northern region, an incursion by Shining Path in the village of Huayllapampa in Recuay Province resulted in the death of a lieutenant governor and a teacher.

In Lima, a petty officer in the National Police was gunned down from a car in the Cercado district, and a woman was killed when an explosive device went off in a bank office in San Juan de Lurigancho.

Victims by Region: November 1993

- 1. Central 57%
- 2. Jungle 33%
- 3. Lima 5%
- 4. Northern 5%

There were no subversive actions in the principal region. The National Police exhibited 10 alleged members of SL in Huamanga and another nine in Huancavelica.

Finally, in the mid-northern region, another eight alleged SL's were exhibited.

Casualties and Attacks by Region in November

Region	Casualties					Attacks
	Military	Police	Civilians	Subversives	Total	
Lima	0	1	1	0	2	20
Northern	0	0	2	0	2	3
Wari						
Central	0	0	0	24	24	5
Jungle	6	0	8	0	14	8
Total	6	1	11	24	42	36

Venezuela

AD To Expel Members For Supporting Other Parties

PA2701134594 Caracas Venezolana de Television Network in Spanish 2350 GMT 24 Jan 94

[Report by Jose Marcano from "The News" newscast]

[Text] In accordance with a Democratic Action [AD] National Executive Committee decision made during a Monday morning meeting, more than 2,000 members will be expelled from the party.

The expulsion will include members who supported other political organizations during the recent campaign and those who were candidates of political parties with which AD had no alliances. The National Executive Committee also appointed a commission to conduct a political analysis of the departments to prepare for the national convention.

As for the new government, AD Organization Secretary Lewis Perez reiterated that his party will support all things deemed positive for the country, even though National Convergence and Movement Toward Socialism voted against AD leader Carmelo Lauria in the Chamber of Deputies.

[Begin Perez recording] The AD will support any action or decision made by President Rafael Caldera that will benefit the country. We are going to remain critical of and follow closely the implementation of the government program proposed by Caldera during the recent campaign. [end recording]

It was also revealed that the National Executive Committee will hold a special meeting this week for members to review the country's fiscal and economic situation and establish a solid position on the measures to be implemented by Dr. Rafael Caldera.

Petroven President Says Caldera Approves of Budget

PA2801120694 Caracas Venezolana de Television Network in Spanish 1550 GMT 26 Jan 94

[Report by Cecilia Pachano from "The News" newscast]

[Text] At the Miraflores Palace, Venezuelan Petroleum [Petroven] President Gustavo Roosen has said he is fairly optimistic about the achievements of the negotiations between Venezuela and the United States on measures restricting national fuels.

[Begin recording] [Pachano] Gustavo Roosen also said President-elect Rafael Caldera's team of advisers has advised him of Petroven's budget for next year and its guidelines. Roosen pointed out that he fully approves of the plans our main oil company will execute.

[Roosen] In fact, Caldera's adviser Julio Cesar Rodriguez attended the 30 December meeting, and we have met several times since that meeting. He fully approves of the budget guidelines. He also told me he approves of the 10-year plan, which encompasses all the objectives to significantly increase the supply of oil products.

In fact, as a multifaceted company, about 75 percent of our total sales, including cyclical sales, consist of oil products, and only 25 percent consist of crude oil sales. Since 1982, Petroven has been replacing crude oil exports for oil product exports in international markets. [end recording]

Transportation Strike Successful in Maracaibo, Barquisimeto

PA2701142294 Caracas EL NACIONAL in Spanish 26 Jan 94 p D-2

[Article by Alonso Zambrano and Miguel Angel Liendo]

[Text] Maracaibo—Manuel Finol, president of Maracaibo's Municipal Institute of Urban Collective

Transportation [Instituto Municipal de Transporte Colectivo Urbano de Maracaibo—IMTCUMA], conceded that despite his government's position, the drivers' strike in the capital municipality of Zulia State was a success, with its most obvious effects being the burning of 11 taxis and the high absentee rate.

No vehicles were available at the station.

Finol said the situation was due in part to a lack of police support from state authorities, because if the Mayoralty's buses had begun operating in the early morning hours, "we could have broken the transportation strike in the city."

However, Finol confirmed that seven routes were covered by Consolidated Transportation buses, which began offering their services after noon, and by 50 vans belonging to various municipal institutes.

Jose Sarmiento, president of the Single Transportation Workers' Union and representative of the Central-Western Transportation Association, who drove through the city in a brand-new private vehicle with a cellular phone to assess the strike, concluded that it was a success in 17 municipalities of Zulia State. Upon the conclusion of the transportation strike, Manuel Finol denounced the destruction of 11 vehicles on Aticos Avenue, south of the city. The vehicles belonged to the Maracaibo mayor's office. A driver identified as Alvin Pirela was injured in the incident, which prompted IMTCUMA to suspend its contingency plan for providing transportation to the population through special means.

Barquisimeto—The Lara Drivers' Union decided to suspend mass transit to Lara and other cities in the remaining eight autonomous municipalities, thus forcing residents to cope with the situation in order to get to their homes, schools, and places of employment.

Driver's Union President Deputy Erik Zuleta said the measure was implemented in accordance with instructions issued by the Transportation Federation as an action against the Transportation and Communications Ministry for not resolving the proposals made by that organization in October 1993. The Transportation Federation made proposals regarding increases in urban and rural fares in the countryside and the effects of the half-fare paid by students, which drivers hope the government will cancel.

The measure, which proved wholly successful in paralyzing the transportation sector in 11 states on 25 January, was also to protest the implementation of the value-added tax, which the Transportation Federation believes should be definitively eliminated.

Hundreds of people formed long lines to wait hopelessly for buses. Meanwhile, the Mayoralty and the Council made desperate attempts to contact private vehicle owners to authorize them to cover the various routes. In addition, cooperation from the National Guard and Army was being demanded to get the buses out on the streets. The lack of transportation prevented workers and students from getting anywhere all day yesterday.

Merida—The driver's union strike virtually paralyzed the principal cities in the Andean region yesterday despite efforts by the authorities to help people reach their various workplaces.

There were no reports of violent incidents.

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